

Circuit Breaker Tax Credit

The Circuit Breaker tax credit is based on the actual real estate taxes paid on the Massachusetts residential property you own and occupy as your principal residence.

If you own your property and your property tax payments (excluding any exemptions and/or abatements) are greater than 10% of your total income for the tax year, you can claim a credit equal to the difference between your property tax payments and 10% of your total income, including assessed water and sewer use charges.

The maximum credit amount for tax year 2021 is \$1,170.

Property Tax Bill:	\$7,500
50% Water Bill	<u>\$300</u>
Total	\$7,800

Total Income:	\$ 68,000
(includes all income	<u>x.10</u>
exempt from state income tax, i.e SS, state municipal pensions)	\$ 6,800

Amount of Tax Credit: \$1,000.

Means Tested Residential Exemption (MTRE)

The goal of the new tax exemption is to provide targeted property tax relief to older homeowners and help them to continue to live in their home.

The amount exempted under this Home Rule Petition is determined by the Select Board and would fall between 50% & 100% of the Circuit breaker credit.

The amount exempted would be borne by the remaining residential properties similar to the Small Commercial Exemption.

ELIGIBILITY REQUIREMENTS:

Age: Must be 65 or older (co-owner must be 60 or older) by December 31, 2021

Residency: Must have owned and occupied a residence in Chelmsford for at least 10 consecutive years

Income: Annual income for 2021 cannot exceed \$62,000 for Single Individuals, \$78,000 for Head of Household, or \$93,000 for Married Couples filing a joint return

Assessed value: Homeowner's Principal Residence not to exceed \$884,000

Assets: Applicant must not have excessive assets as determined by Board of Assessors

State Tax Return: Must have claimed the MA State Circuit Breaker Tax Credit in 2021.