

## **INTRODUCTION**

A tax exemption is a discharge from the obligation to pay all or a portion of a tax. Exemptions are conferred by the Legislature on particular categories of persons or property.

Clauses 41, 41B and 41C of Section 5 of Chapter 59 provide exemptions to persons 70 years of age or older who satisfy certain whole estate or asset, annual income and residency requirements. Persons 70 or older may, alternatively, qualify for an exemption under Clauses 17, 17C, 17C½ or 17D which provide reduced benefits but for which the eligibility requirements are less strict.

Clause 41 was an early Legislative response to the need of the above category of persons for assistance with their tax obligations. It set out original eligibility requirements for the exemption. As property values and income levels rose, however, it became more difficult for persons to satisfy these requirements. Therefore, the Legislature made alternative exemptions (Clauses 41B and 41C) available for cities or towns to accept by town meeting or city council vote. Each alternative has different eligibility requirements. If a city or town has accepted Clause 41B or 41C, the Clause most recently accepted establishes eligibility rules. If a city or town has not so voted, Clause 41 prevails.

## **EXEMPTION AMOUNT**

The exemption amount for each Clause is \$500.

## **APPLICATIONS**

Applications must be filed annually with the local assessors in the city or town where the property is located on or before December 15th, or three months after the actual tax bills are mailed, whichever is later. Filing an application does not entitle the applicant to a delay in tax payment.

## **DOCUMENTATION**

An applicant for an exemption must provide to the assessors whatever information is reasonably required to establish eligibility. This information may include, but not be limited to:

1. Birth certificates.
2. Evidence of domicile and occupancy.
3. Income tax returns.

## **ELIGIBILITY REQUIREMENTS**

For eligibility, an individual must satisfy requirements relating to (1) age (2) ownership and domicile (3) annual income and (4) whole estate or assets.

## **NUMBER OF EXEMPTIONS**

Not more than one exemption may be granted under Clause 41, 41B or 41C on the same parcel of real estate.

## **AGE**

An individual must be (a) 70 years or older or (b) joint owner with a spouse 70 years or older as of July 1 of the tax year.

## **OWNERSHIP AND DOMICILE**

Under Clause 41, an individual must own and occupy the subject property on July 1 of the tax year. Under Clauses 41B and 41C, in addition to so owning and occupying the subject property, an individual must have been continuously domiciled in Massachusetts for the 10 years preceding the application and have owned and occupied the property or other property in Massachusetts for 5 years.

1. To satisfy this ownership requirement, the person's interest must be worth at least \$4,000. The person may own this interest solely, as a joint owner or as a tenant in common. However, if ownership is joint or a tenancy in common with someone other than a spouse, the exemption amount is reduced to that proportion of \$500 as the person's ownership interest in the property.
2. The holder of a life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he:

- a) Is a trustee or co-trustee of that trust, and
- b) Possesses a sufficient beneficial interest in the domicile through that trust. (Splitting the interest between multiple trusts does not qualify.)

- ◆ \$20,000 if single
- ◆ \$23,000 if married

**ANNUAL INCOME AND WHOLE ESTATE**

Eligibility amounts differ for Clause 41, 41B and 41C as follows:

**Clause 41**

Gross receipts minus social security allowance must be less than:

- ◆ \$6,000 if single
- ◆ \$7,000 if married

Whole estate less the value of the home less any portion which produces income cannot exceed:

- ◆ \$17,000 if single
- ◆ \$20,000 if married

**OR**

If the home value is included:

- ◆ \$40,000 if single
- ◆ \$45,000 if married

**Clause 41B**

Gross receipts minus social security allowance must be less than:

- ◆ \$10,000 if single
- ◆ \$12,000 if married

Whole estate less the value of the home less any portion which produces income cannot exceed:

**Clause 41C**

Gross receipts minus social security allowance must be less than:

- ◆ \$13,000 if single
- ◆ \$15,000 if married

Whole estate less the value of the home except for the value of any portion which exceeds three dwelling units and produces income cannot exceed:

- ◆ \$28,000 if single
- ◆ \$30,000 if married

The value of a person's (a) cemetery plots, (b) registered motor vehicles, (c) wearing apparel and (d) household furniture and effects kept at the domicile should be excluded from the calculation of the person's whole estate for purposes of these clauses.

**FOR FURTHER INFORMATION, CONTACT YOUR LOCAL BOARD OF ASSESSORS, OR CALL:**

**DEPARTMENT OF REVENUE  
DIVISION OF LOCAL SERVICES  
PROPERTY TAX BUREAU**

**(617) 626-2300**

**TAXPAYER'S GUIDE TO  
REAL ESTATE TAX EXEMPTIONS  
IN MASSACHUSETTS**

**CLAUSE 41  
CLAUSE 41B  
CLAUSE 41C**

**ELDERLY PERSONS**

(70 years of age or older)



**Massachusetts Department of Revenue  
Division of Local Services  
Property Tax Bureau**