

## TAX CREDIT WORKSHEET

*This is not an official tax document.*

*(Complete a Schedule CB)*

### For Homeowners:

Your property tax (a) \$ \_\_\_\_\_

(plus) +

50% of water/sewer bill (b) \$ \_\_\_\_\_

= (c) \$ \_\_\_\_\_

Annual income (d) \$ \_\_\_\_\_

*(includes taxable income as well as exempt income such as social security and public pensions)*

(minus) - Exemptions (e) \$ \_\_\_\_\_

*(includes exemptions for dependents, blindness and age 65+ exemption)*

= Total Annual Income (f) \$ \_\_\_\_\_

(times) x .10 = (g) \$ \_\_\_\_\_

*To calculate possible credit (h), subtract (g) from (c):*

Line (c) \$ \_\_\_\_\_

(minus) - Line (g) \$ \_\_\_\_\_

Possible tax credit (h) \$ \_\_\_\_\_

### For Renters:

Your annual rent (a) \$ \_\_\_\_\_

(times) x .25 = (b) \$ \_\_\_\_\_

Total Annual Income (c) \$ \_\_\_\_\_

*(See lines (d) and (e) above to calculate total annual income.)*

(times) x .10 = (d) \$ \_\_\_\_\_

*To calculate possible credit (e), subtract (d) from (b):*

Line (b) \$ \_\_\_\_\_

(minus) - Line (d) \$ \_\_\_\_\_

Possible tax credit = (e) \$ \_\_\_\_\_

## **Remember**

**The maximum credit for tax year 2009 is \$960.**

## MORE TAX TIPS FOR SENIORS

### **No Tax Status**

If qualified, you may not have to pay MA income taxes if your adjusted gross income is

Less than \$8,000	Single
Less than \$14,400	Head of Household (plus \$1,000 per dependent)
Less than \$16,400	Married, Joint Return (plus \$1,000 per dependent)

### **Limited Income Credit**

You may qualify if your adjusted gross income is between

\$8,000-\$14,000	Single
\$14,400-\$25,200	Head of Household (plus \$1,750 per dependent)
\$16,400-\$28,700	Married, Joint Return (plus \$1,750 per dependent)

### **Exemption for Age 65+**

In addition to your personal exemption, you are eligible for a \$700 exemption if you are 65 before the close of the tax year. The same exemption is available for your spouse if he or she is 65 on Dec. 31st of the tax year.

### **Dependent Deduction**

For households with elderly or disabled dependents the deduction is \$3,600 for a single dependent and \$7,200 for no more than two dependents.

### **Capital Gains on Sale of Residence**

On a principal residence sold after December 31, 1997, a gain of up to \$250,000 is not subject to tax. For joint filers, the gain excluded from tax is \$500,000. Rules match IRS treatment of sale.

### **Non-Taxable Income**

Social Security payments received, as well as Veterans Administration disability compensation, are not taxable in Massachusetts.

**You may wish to consult with a tax professional for guidance on these items.**

## *The Circuit Breaker*



## **Tax Relief For Massachusetts Senior Citizens**

**Updated February 2010**

**An Introduction  
by  
State Representative  
Mary E. Grant**

# *The Circuit Breaker*

Dear Friends,

I wanted to take this opportunity to remind you of a tax credit program designed for Massachusetts seniors



age 65 and older called “**The Circuit Breaker**”.

The Circuit Breaker is a property tax credit which was designed by the legislature with the hope of alleviating some of the burdens that the property tax can create.

In this brochure you will find information to help you to determine your eligibility. Both income and property value limits have increased. Be aware there are also **local options** for property tax relief through the Assessor’s Office (978-921-6000).

Should you have any further questions or comments, please do not hesitate to contact my office.

Best wishes,

*Mary*

Mary E. Grant  
State Representative

To Contact Representative Grant:

State House, Room 236  
Boston, MA 02133  
617-722-2430

## WHAT IS THE CIRCUIT BREAKER?

It’s called the Circuit Breaker Tax Credit because it’s “triggered,” like an electrical circuit breaker **when property payments exceed 10% of a senior citizen’s annual income**.

Those who qualify will still be required to pay property taxes to their local communities.

Seniors will receive a dollar credit on their Massachusetts state income taxes for every dollar that the total of their property tax, water and sewer bills exceed 10% of their income, up to the **\$960** maximum for **2009**.

## IS THERE A SPECIAL APPLICATION?

If qualified, you can claim the credit by submitting a completed **Schedule CB**, Circuit Breaker Credit, with your **2009** state income tax return.

Eligible seniors **must file a return** to claim a refund even if they owe no taxes.

**Important if you missed 2007 & 2008:**  
A tax return may be filed or amended for 3 years from the due date of filing the return.

## WHO IS ELIGIBLE?

Massachusetts residents who:

- Are age 65 or older before January 1, 2010 (for joint filers, it is sufficient if one taxpayer is 65 years of age or older.)
- Own or rent residential property in Massachusetts and occupy the property as primary residence.
- Have an annual income of \$51,000 or less for a single filer; \$64,000 or less for a head of household; or \$77,000 or less for joint filers.
- Have property assessed at no more than \$788,000.

## WHO IS NOT ELIGIBLE?

- Married persons who do not file jointly for this credit.
- Those who are a dependent of another tax filer.
- Those who receive federal or state rent subsidy directly; or those who live in a property-tax exempt facility.
- Those whose property is assessed at a value of more than \$788,000.

For your convenience, the worksheet on the following page is provided to give an idea of what your tax credit might be.