

Mayor Fuller's Proposed Enhancements City of Newton Tax Assistance Programs

Mayor Fuller has proposed significant enhancements to the Tax Assistance programs offered by the City of Newton. Most of these enhancements require approval of the General Court (the legislators on Beacon Hill) while one requires a change to our City Ordinances by our City Council.

For Older Citizens (Clause 41C)*

Mayor Fuller has proposed increasing this exemption from \$1,000 to \$2,000.

Mayor Fuller has requested that the City Council authorize her to request a Special Act on behalf of the City of Newton to the Massachusetts General Court (State Delegation) to allow the City to increase the property tax exemption available to qualifying taxpayers, by doubling the exemption from \$1,000 to \$2,000.

Currently, to qualify a taxpayer:

1. must be over 65 years of age as of July 1, 2022 and
2. must have primary residence in Massachusetts for ten years and owned property in the state for five years and must have occupied the property as of July 1, 2022 and
3. must have a whole estate (the value of personal property excluding domicile) of less than \$50,247 if single, \$69,089 if married and
4. must have an income less than \$25,123 if single, \$37,686 if married, after subtracting an allowable exclusion.

Current Qualifying Residents: 48 people

Projected Added Tax Relief with this action: \$48,000

For Older Citizens: Tax Deferral (Clause 41A)*

Mayor Fuller has proposed increasing the total gross income limit from \$86,000 to \$93,000.

Mayor Fuller has requested that the City Council authorize her to increase the total gross income limit from \$86,000 to \$93,000, the amount allowed by the State. This action does not require involvement of the State legislators. Rather, it can be accomplished by an amendment to the City Ordinances by the City Council.

Currently, to qualify, a taxpayer:

1. must be over 65 years of age as of July 1, 2022 and
2. must have primary residence in Massachusetts for ten years and owned property in the state for five years and
3. must have occupied the property as of July 1, 2022 and
4. must have a total gross income not in excess of \$86,000 per year.

Upon Approval, Taxpayer Is Entitled To Defer (Delay) Payment Of Any Portion Of The Property Tax Bill.

The fiscal year 2023 deferral interest rate of 1.75% is based on the Federal Reserve Discount Rate as of June 30, 2022.

Upon approval, the total gross income limit for the city Water and Sewer Discount Program will automatically be increased from \$86,000 to \$93,000.

Anticipated Additional Deferrals: 10

Projected Added Tax Deferred with this action: \$80,000

Elderly Surviving Spouse, Minor Child (Clause 17D)*

Mayor Fuller has proposed doubling this exemption from \$219 to \$438.

Mayor Fuller has requested that the City Council authorize her to request a Special Act on behalf of the City of Newton to the Massachusetts General Court (State Delegation) to allow the City to increase the property tax exemption available to qualifying taxpayers, by doubling the exemption from \$219 to \$438.

Currently, to qualify, a taxpayer:

1. must be over 70 years of age as of July 1, 2022 or must be a surviving spouse or surviving minor child
2. must have owned and occupied the property for five years and
3. must have a whole estate (the value of personal property less domicile) of less than \$50,247.

Current Qualifying Residents: 11 people

Projected Added Tax Relief with this action: \$2,409

Disabled Veteran (Clause 22)

Mayor Fuller has proposed doubling this exemption from \$400 to \$800 for partially disabled veterans, and from \$1,000 to \$2,000 for totally disabled veterans.

Mayor Fuller has requested that the City Council authorize her to request a Special Act on behalf of the City of Newton to the Massachusetts General Court (State Delegation) to allow the City to increase the property tax exemption available to qualifying taxpayers, by doubling the exemption.

Currently, to qualify, a taxpayer:

1. must be a veteran or spouse of a veteran and
2. must have a service-connected disability of 10% or more or
3. have been awarded the Purple Heart or
4. be a veteran of the Spanish, Philippine or Chinese Expedition or
5. have been awarded the Congressional Medal of Honor, Distinguished Service Cross, Air Force Cross or Navy Cross

N.B. The parents of a veteran who lost his/her life in service are also entitled to apply for this exemption. Amount of Exemption Varies According to Degree of Disability.

Current Qualifying Partially Disabled Veterans: 119

Projected Added Tax Relief with this action: \$47,600

Current Qualifying Fully Disabled Veterans: 40

Projected Added Tax Relief with this action: \$40,000

Blind Persons (Clause 37A)

Mayor Fuller has proposed increasing this exemption from \$500 to \$1,000.

Mayor Fuller has requested that the City Council authorize her to request a Special Act on behalf of the City of Newton to the Massachusetts General Court (State Delegation) to allow the City to increase the property tax exemption available to qualifying taxpayers, by doubling the exemption from \$500 to \$1,000.

Currently, to qualify, a taxpayer:

1. must be a legal resident of the Commonwealth of Massachusetts,
2. own and occupy the property as his/her domicile,
3. and must annually provide a current blindness certification (Massachusetts Commission for the Blind) **certifying date of registration** as of July 1, 2022.

Current Qualifying Residents: 21

Projected Added Tax Relief with this action: \$10,500

Senior Property Tax Work-Off Program

Mayor Fuller has proposed increasing the maximum number of hours worked from 125 hours to 200 hours and doubling this exemption from \$1,500 to \$3,000.

Mayor Fuller has requested that the City Council authorize her to request a Special Act on behalf of the City of Newton to the Massachusetts General Court (State Delegation) to allow the City to increase the property tax exemption available to qualifying taxpayers, by increasing the maximum allowable hours worked from 125 to 200, and by increasing the maximum allowable credit for hours of service from \$1,500 to \$3,000.

Currently, to qualify, a taxpayer:

1. must be sixty (60) years of age or older as of July 1, 2022.
2. must own and occupy, as principal place of residence, as of July 1, 2022, the property in Newton, Massachusetts to which the tax work-off credit will be applied.
3. must have gross income less than \$50,000 if such person is single and not head of household, less than \$60,000 if such person is head of household, or less than \$70,000 if such person files a joint tax return with spouse.

With prior approval, qualifying proxy may perform the volunteer service for a qualifying senior who is physically unable to volunteer.

Current Qualifying Residents: 40 people

Projected Added Tax Relief with this action: \$60,000

Veteran Property Tax Work-Off Program

Mayor Fuller has proposed increasing the maximum number of hours worked from 125 hours to 200 hours and doubling this exemption from \$1,500 to \$3,000.

Mayor Fuller has requested that the City Council authorize her to request a Special Act on behalf of the City of Newton to the Massachusetts General Court (State Delegation) to allow the City to increase the property tax exemption available to qualifying taxpayers, by increasing the maximum allowable hours worked from 125 to 200, and by increasing the maximum allowable credit for hours of service from \$1,500 to \$3,000.

Currently, to qualify, a taxpayer:

1. must be veteran as defined in M.G.L. Chapter 4 Section 7 Clause 43 as of July 1, 2022.
2. must own and occupy, as principal place of residence, as of July 1, 2022, the property in Newton, Massachusetts to which the tax work-off credit will be applied.

With prior approval, qualifying proxy may perform the volunteer service for a qualifying veteran who is physically unable to volunteer.

Current Qualifying: Included in the Senior Estimate Above Projected Added Tax Relief: Included above.

Newton Water and Sewer Discount Program

Mayor Fuller has proposed increasing the total gross income limit from \$86,000 to \$93,000.

Mayor Fuller has requested that the City Council authorize her to increase the total gross income limit from \$86,000 to \$93,000, in line with the current state guidelines for tax deferrals. Upon approval of the increase in income limit for the 41A tax deferral program, the income limit for the water/sewer discount program will automatically increase to the 41A tax deferral limit.

Under current City of Newton ordinances, citizens over 65, who own the property as a primary residence, and have an income of less than \$86,000.00 annually may apply for the Newton Water/Sewer Discount Program. A resident must reapply for a Water/Sewer discount by July 1 of each calendar year in order to receive a deduction of 30 percent on water and sewer bills from July 1 to June 30 of those years.

***Note: taxpayers who qualify for exemptions under clauses 17D, 18, 41C or 41A may also qualify for a discount of 30% off their water/sewer bills, depending on their water service.**

Currently, to qualify, a taxpayer:

1. must be over 65 years of age as of July 1, 2022 and
2. must have primary residence in Massachusetts for ten years and owned property in the state for five years and
3. must have occupied the property as of July 1, 2022 and
4. must have a total gross income not in excess of \$86,000 per year.

Projected Additional Qualifying Residents: 10 Projected Added Tax Relief with this action: \$6,000

As approved by state law, Newton's Board of Assessors administers these tax assistance programs for eligible taxpayers. Additional information can be obtained by contacting the Department of Assessment Administration at 617-796-1160 or assessing@newtonma.gov.

Applications for fiscal year 2023 are available currently and can be downloaded. Applications for exemptions must be filed each year. Exemptions are granted on an annual basis. Applications are due on or before April 3, 2023.