

Article 22 Means Tested Senior Exemption Extension

To see if the Town will vote to extend for FY 2022, FY 2023 and FY 2024 an act passed in the general court in the year 2012 entitled, “An act authorizing the town of Sudbury to establish a means tested senior citizen property tax exemption”, or act on anything relative thereto.

Motion

Move in the words of the article.

Brief Program Summary

This real estate tax exemption reduces real property taxes for certain low to moderate income seniors through a redistribution of the property tax burden within the residential class.

This program offers tax relief to qualifying seniors who are long time Sudbury residents.

The maximum exemption that any taxpayer is entitled to receive under this program in any given year is 50% of the applicant's residential tax bill.

Qualifications

1. Own and occupy the property.
2. If there is a co-owner other than spouse, the co-owner must be at least 60 years of age.
3. Owner or co-owner must have lived in Sudbury for at least 10 consecutive years.
4. The assessed value of the home cannot exceed the prior year's average assessed value of a Sudbury single-family home plus 10%. For FY 2021 that figure is \$819,800.
5. Current annual income limits:
 - \$61,000 or less for a single filer,
 - \$92,000 or less for joint filers, or
 - \$76,000 for head of household.
6. The applicant must not own "excessive assets" that place him/her outside of the intended recipients of this exemption.

How the Program Works - Sample Qualifying Applicant

Age: **Over 65**

Single Filer: 2020 Income - **\$59,000**

Sudbury Resident for **10+ years**

Assessed Valuation of home: **\$672,900**

Estimated FY 2022 Tax (before exemption) **\$12,987.48**

Qualifying Income: **\$ 59,000**

MA Circuit Breaker Credit: **\$1,150**

How the Program Works - Formula

Step 1: Calculate the Exemption

(Exemption: equal to the total amount of tax less the sum of 10% of the qualifying income and less the circuit breaker credit).

\$ 12,987.48 (FY 2022 Tax Estimate)
- \$5,900.00 (10% of 59,000 qualifying income)
-\$ 1,150.00 (Schedule CB Credit line 17)
= **\$5,937.48** (amount of Exemption)

Step 2:

\$ 12,987.48 (FY 2022 Tax Estimate)
-**\$5,937.48** (amount of Exemption)
=**\$7,050** (Target Property Tax FY 2022)

Program Statistics FY 14 – FY 18

| | <u>FY 14</u> | <u>FY 15</u> | <u>FY 16</u> | <u>FY 17</u> | <u>FY 18</u> |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Applications Filed | 124 | 132 | 103 | 111 | 115 |
| Applications Approved | 118 | 124 | 103 | 111 | 113 |
| Total Program Cost | \$ 289,151 | \$ 330,400 | \$ 338,664 | \$ 364,322 | \$ 414,074 |
| Average Tax Exemption | \$ 2,450 | \$ 2,665 | \$ 3,288 | \$ 3,282 | \$ 3,646 |
| Residential Tax Increase(average) | \$ 45.00 | \$ 60.00 | \$ 61.00 | \$ 63.00 | \$ 73.00 |

Program Statistics FY 19 – FY 21

| | <u>FY 19</u> | <u>FY 20</u> | <u>FY 21</u> |
|-----------------------------------|--------------|--------------|--------------|
| Applications Filed | 112 | 106 | 102 |
| Applications Approved | 112 | 106 | 101 |
| Total Program Cost | \$418,358 | \$ 423,996 | \$ 429,013 |
| Average Tax Exemption | \$ 3,735 | \$ 3,999 | \$ 4,247 |
| Residential Tax Increase(average) | \$ 67.00 | \$ 76.00 | \$ 75.00 |