

## TAX CREDIT WORKSHEET

*This is not an official tax document.*

### 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+**

You are eligible for a \$700 exemption if you turn 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 two or more 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.

### **Non-Taxable Income**

Social Security payments received, as well as Veterans Administration 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

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*Brought to you by  
State Senator  
Benjamin B. Downing*

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January 2010



Dear Friend,

As your State Senator, I am pleased to remind you about a tax credit program designed for Massachusetts seniors age 65 and older called **“The Circuit Breaker.”**

**Ben Downing**  
*State Senator*

The Circuit Breaker is a property tax credit 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 determine your eligibility. This informational brochure is not an official tax document, therefore I encourage you to consult with a tax professional with your specific tax questions.

Should you have any general questions on this or any other matter, please feel free to contact me at any time.

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**(617) 722-1625**

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## **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 in tax year 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 and claim a refund even if they do not owe taxes.

## **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.

## **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 \$788,000 or more.
- Renters who receive a subsidy.

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