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Dear Resident,

As your state representative I am pleased to call to your attention a tax credit program designed for Massachusetts seniors, aged 65 and older, called "The Circuit Breaker."



The Circuit Breaker was established by the legislature with the hopes of alleviating some of the burdens that property taxes 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 questions.

Should you have any general questions on this matter please feel free to contact me at the State House by calling 617-722-2014 or by email at josh.cutler@mahouse.gov.

Sincerely,

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) \$ _____

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

IMPORTANT INFORMATION
TAX RELIEF FOR SENIOR CITIZENS
www.joshcutler.com

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 \$1,030 maximum.

For the most recent data available, here is average savings for our district:

Town	Filers	Avg. Savings
Pembroke	301	\$781
Duxbury	228	\$804
Hanson	137	\$798

IS THERE A SPECIAL APPLICATION?

If qualified you can claim the credit by submitting a completed Schedule CB, Circuit Breaker Credit, with your 2013 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, 2014 (for joint filers it is sufficient if one taxpayer is 65 years or older.)
- Own or rent residential property in Massachusetts and occupy the property as a primary residence.
- Have an annual income of \$55,000 or less for a single filer, \$69,000 or less for a head of household or \$82,000 for less for joint filers.
- Have property assessed at no more than \$700,000.

WHO IS NOT ELIGIBLE

- Married persons who do not file jointly for this credit.
- Those who are the dependent of another tax filer.
- Those who receive a federal or state rent subsidy directly; or those who live in a property-tax exempt facility.
- Those who's property is assessed at a value of \$700,000 or more.
- Those who rent from a landlord who is not required to pay real estate taxes.

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

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 disability compensation, are not taxable in Massachusetts.