

## **SURVIVING SPOUSE**

Clause 17

Clause 17C

Clause 17C1/2

Clause 17D (Adopted by the Town of Dudley)

## **INTRODUCTION**

A tax exemption is a discharge from the obligation to pay all or a portion of a tax. Exemptions are conferred by the Legislature on particular categories of persons or property.

Clauses 17, 17C, 17C1/2 and 17D of Section 5 of Chapter 59 provide exemptions to three categories of persons who satisfy certain residency and whole estate or asset requirements: (1) widows and widowers, (2) minor children with one parent deceased and (3) persons 70 years of age or older. Persons 70 or older may, alternatively, qualify for an exemption under Clauses 41, 41B, or 41C which provide increased benefits but for which the eligibility requirements are stricter.

Clause 17 was an early Legislative response to the need of the above categories of persons for assistance with their tax obligations. It set out original eligibility requirements for the exemption. As property values rose, however, it became more difficult for persons to satisfy these requirements. Therefore, the Legislature periodically made alternative exemptions (Clauses 17C, 17C1/2, and 17D) available for cities or towns to accept by town meeting or city council vote. Each alternative has different eligibility requirements. If a city or town has accepted Clause 17C, 17C ½ or 17D, the Clause most recently accepted establishes eligibility rules. If a city or town has not so voted, Clause 17 prevails.

## **EXEMPTION AMOUNT**

The exemption amount for each Clause is \$175. By local option, upon acceptance by the city council, town council or town meeting, this amount may be annually increased by an amount not to exceed the increase in the Consumer Price Index.

## **APPLICATIONS**

Applications must be filed annually with the local assessors in the city or town where the property is located on or before December 15<sup>th</sup>, or three months after the actual bills are mailed, whichever is later. Filing an application does not entitle the applicant to a delay in tax payment.

## **DOCUMENTATION**

An applicant for an exemption must provide to the assessors whatever information is reasonably required to establish eligibility. This information may include, but not be limited to:

1. Birth Certificates.
2. Evidence of domicile and occupancy.
3. Income tax returns.

## **NUMBER OF EXEMPTIONS**

Not more than one exemption may be granted under Clause 17, 17C, 17C1/2 or 17D on the same parcel of real estate.

## **ELIGIBILITY REQUIREMENTS**

For eligibility, an individual must possess, as of July 1 of the tax year, the status of either (1) a surviving spouse or a minor with a parent deceased who owns and occupies the property as his domicile **OR** (2) a person 70 years or over who has owned and occupied the property as his domicile for at least 10 years (under Clauses 17, 17C, 17C1/2) or at least 5 years (under Clause 17D).

### **OWNERSHIP**

1. To satisfy the ownership requirement, a person's interest in the domicile must be worth at least \$2,000. A person may own this interest solely, as a joint owner or as a tenant in common.
2. The holder of a life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he/she:
  - (a) Is a trustee or co-trustee of that trust, **and**
  - (b) Possesses a sufficient beneficial interest in the domicile through that trust. (Splitting the interest between multiple trusts does not qualify.)

### **WHOLE ESTATE**

In addition, a person's whole estate, real and personal, cannot exceed the following:

Clause 17 - \$20,000, excluding any unpaid mortgage balance on the subject property.

Clause 17C - \$40,000, excluding \$60,000 of value of the subject property and any unpaid mortgage balance on that property.

Clause 17C1/2 - \$40,000, excluding \$150,000 of value of the subject property and any unpaid mortgage balance on that property.

Clause 17D - \$40,000, excluding the total value of the subject property, not to exceed 3 dwelling units, and any unpaid mortgage balance on that property. For a property containing 4 or more dwelling units, the value of that portion exceeding 3 units must be included.

The value of a person's (a) cemetery plots, (b) wearing apparel and (c) household furniture and effects kept at the domicile should be excluded from the calculation of the person's whole estate for purposes of these clauses.

These clauses prescribe no limitation on annual income for exemption eligibility.