

**The MA “Circuit Breaker”
Income Tax Credit
For Homeowners
and Renters
Age 65 and Older**



At the Center of it All

YOU MAY GET A CASH REFUND ON YOUR STATE INCOME TAXES

The Massachusetts “Circuit Breaker” tax credit program is a program for adults age 65 + whose property taxes and half of the water and sewer bills are more than 10% of their annual gross income (or for renters, if their rent is greater than 25% of their income) and who meet a few other rules. Adults can get this income tax credit even if they owe no income taxes. Also, you can get this refundable tax credit if you also receive a property tax exemption from their town Assessor.

The value of the refundable credit can be as high as \$1,070 for 2016 tax filers.

To obtain the credit, you must file a MA Income Tax “Form 1” and the “Schedule CB Form” for the 2016 tax year. You may file to get a refundable credit for the last 3 years* tax returns, if you have not yet done so. In addition to this year’s credit, *the maximum credit you may receive for the past 3 tax years is: \$1,070 in 2015; \$1,050 in 2014; and \$1,030 in 2013.*

You must meet the following guidelines to qualify for this refundable tax credit:

1. Be 65 or older by the end of the tax year for which you are filing.
2. Have income below the maximum level: *(including Social Security and other income not ordinarily taxed in Massachusetts)*

Income for tax year	2013	2014	2015	2016
Single	55,000	56,000	57,000	\$57,000
Head of household	69,000	70,000	71,000	\$71,000
Married, filing jointly	82,000	84,000	85,000	\$86,000
Married, filing separately, not eligible				

3. The property that you own or rent must be residential property in Massachusetts that is your primary residence. (Renters of public housing or with subsidized rental agreements are not eligible.)
4. The assessed valuation of your home cannot be greater than \$720,000 for tax year 2016. Maximum home values for prior tax years are: 2013 - \$700,000; 2014 - \$691,000; 2015 - \$693,000. (There are no other assets limits for defining who may be eligible to get the tax credit.)
5. **10% rule for Owners:** The credit will equal the amount your property tax bill (plus 50% of your water and sewer fees if not part of your property tax bill) exceeds 10% of your income, up to the maximum credit of \$1,070 in 2016. If you also receive a local property tax exemption for seniors or earn a senior tax work off reduction that is okay. This credit will be applied to your reduced property tax bill amount.
6. **25% Rule for Renters:** The credit will equal the amount by which 25% of your rental payments exceed 10% of your income, up to the maximum credit of \$1,070 in 2016. *The law assumes that 25% of rent goes toward property taxes.*
7. **Even if you don't normally file with the state, if you meet the above criteria you are most likely due a "refund" check/tax credit from the Dept. of Revenue.** *If you have an accountant, ask him/her for help with this year and /or previous years.*
8. **The deadline for filing retroactive or amended tax returns (going back 3+ years) is April 15, 2017. For more information and to get the proper forms, call the Mass. Department of Revenue Customer Service at (617) 887-6367 for information and/or tax forms for this year and the past three years.**

For help filing a tax return or amended returns for prior years, call your local Council on Aging at 508-278-8622 for information about where to meet with a volunteer tax aide. Or, hire an accountant to file your state income taxes for all the years you may be eligible. **To download the tax forms** -- Form 1 and the Schedule CB Form - go to the official Department of Revenue site at: <http://www.mass.gov/dor/individuals/seniors-students-and-military-personnel/seniors-and-retirees/> .

