

Tax Credit Worksheet

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 (h), subtract (g) from (c):

Line (c) \$ _____

(minus) - Line (g) \$ _____

Possible tax credit (h) \$ _____

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 and/or your spouse are eligible for a \$700 exemption if you turn 65 before the close of the tax year.

Dependent Deduction

For households with elderly or disabled dependents the deduction is \$240 for a single dependent and \$480 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.

Remember:

The Maximum Credit for Tax Year 2023 is \$2,590.00

CIRCUIT BREAKER Tax Relief For Massachusetts Senior Citizens

**PEABODY COUNCIL ON
AGING
79 CENTRAL STREET
PEABODY, MA 01960
978-531-2254**

January 2024

The Circuit Breaker

The Circuit Breaker is a tax credit program designed for Massachusetts seniors age 65 and older. It is a property tax credit designated 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 you are encouraged to consult with a tax professional with your specific tax questions.

What is the Circuit Breaker?

For tax year 2023, the credit is worth as much as \$1,500 for eligible taxpayers 65 and older who either own or rent their home. A taxpayer qualifies when his/her property payments exceed 10% of his/her annual income. Even if you do not file taxes, you may still be able to qualify for the Circuit Breaker.

How to apply:

If qualified, you can claim the credit by submitting a completed Schedule CB, Circuit Breaker Credit, with your 2023 state income tax return. Consult with a tax professional with any further assistance.

Who is eligible?

Massachusetts residents who:

- Are age 65 or older before January 1, 2024 (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 a primary residence.
- Have an annual income of \$69,000 or less for a single filer; \$86,000 or less for a head of household; or \$103,000 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 \$1,025,000 or more.