

## 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.

Clause 17D in 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 65 or older may, alternatively, qualify for an exemption under Clause 41C which provide increased benefits but for which the eligibility requirements are more strict.*

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, 17C1/2 or 17D, the Clause most recently accepted establishes eligibility rules.

The Town of Oak Bluff voted to accept Clause 17D along with options to adjust the benefit and requirements to account for inflation.

## EXEMPTION AMOUNT

### Fiscal Year 2020

This year the exemption amount for Clause 17D is **\$377**. The amount is adjusted annually with the cost of living index.

## APPLICATIONS

Applications must be filed annually with the Board of Assessors within 3 months of the mailing of the “actual” tax bill. Tax Bills are typically mailed on January 1 but it is a good idea to check. The assessors cannot act on late-filed applications

## 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 limited to:

- 1 Birth Certificate
- 2 Evidence of domicile and occupancy
- 3 Income tax returns

## 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 whom has owned and occupied the property as his domicile for at least 5 years (under Clause 17D).

## WHOLE ESTATE

### Fiscal Year 2020

A person’s whole estate, real and personal, cannot exceed **\$75,719** excluding the total value of the subject property, not to exceed three (3) dwelling units, and any unpaid mortgage balance on that property. For a property containing four (4) or more dwelling units, the value of that portion exceeding three (3) units must be included.

There are no limitations on annual income for eligibility under Clause 17D.

## OWNERSHIP

- 1) Ownership may be held as an individual, 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:
  - a) Is a trustee or co-trustee, and
  - b) Possesses a sufficient beneficial interest in the domicile through that trust. (Owner cannot be the beneficiary of a 2<sup>nd</sup> trust that is the beneficiary of the trust that owns the home.)

**FOR FURTHER  
INFORMATION  
CONTACT:**

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**TAXPAYER'S GUIDE TO  
REAL ESTATE  
TAX EXEMPTIONS  
IN MASSACHUSETTS**

**CLAUSE 17D**

**With Locally  
Approved Options  
Town of Oak Bluffs**

Revised 9/2014

**PERSONS  
70 YEARS OR OLDER**



**Fiscal Year 2020**