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**The MA “Circuit Breaker” Income Tax Credit**

**For Homeowners**

**and Renters**

**Age 65 and Older**

**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. You can receive this income tax credit even if you owe no state income taxes! Also, you can get this refundable tax credit if you also receive a local property tax exemption from your town’s Tax Assessor.

**The value of the refundable credit can be as high as $1,080 for 2017 tax filers.**

To obtain the credit, you must file a MA Income Tax “**Form 1”** and the “**Schedule CB Form”** for the 2017 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, t*he maximum credit you may receive for the past 3 tax years is: $10170 in 2016; $1,070 in 2015; and $1,050 in 2014.*

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

1**.** Be 65 or older by the end of the 2017 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 2014 2015 2016­ 2017**

 Single 56,000 57,000 $57,000 $57,000

 Head of household 70,000 71,000 $71,000 $72,000

 Married, filing jointly 84,000 85,000 $86,000 $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**. (Note: Renters of public housing or who have a subsidized rental agreement are not eligible.)

4. **The assessed valuation of your home cannot be greater than $747,000 for the 2017 tax year.** Maximum home values for **prior** tax years are: 2014 - $691,000; 2015 - $693,000; and $720,000 for 2016. (There are no other assets limits for defining who may be eligible to get the tax credit.)

5**. 10% rule** f**or 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 $1,080 in 2017. It is okay if you also receive a local property tax exemption for seniors or earn a senior tax work off reduction. 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 $1,080 in 2017. *The law assumes that 25% of rent goes toward property taxes*.

7**. Even if you don’t normally file an income tax return with the state, if you meet the above criteria you are most likely due a “refund” check/tax credit from the MA Department of Revenue.** *If you have an accountant, ask him/her for help with the previous 3 years.*

8. **The deadline for filing retroactive or amended tax returns (going back 3+ years) is April 15, 2018**. **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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 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 income tax credit tax forms** -- **Form 1 and the Schedule CB Form** - **go to the official Department of Revenue site at:** [**https://www.mass.gov/lists/2017-massachusetts-personal-income-tax-forms-and-instructions**](https://www.mass.gov/lists/2017-massachusetts-personal-income-tax-forms-and-instructions) . Or ask Council on Aging staff to print the forms for you.

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