

# 2025

## ANNUAL TOWN MEETING

### **ARTICLE 30:**

#### **Senior Tax Deferral – Clause 41A**

Through this Article, the Town would authorize the Select Board to petition the General Court to update eligibility for the Town's senior tax deferral program, by increasing the maximum qualifying "gross receipts" of residents from \$50,000 to \$103,000.



## **BOARD OF ASSESSORS**

*April, 2025*

# WHAT IS SENIOR PROPERTY TAX DEFERRAL?

- ❑ Under M.G.L c. 59, Section 5, Clause 41A, eligible seniors may **delay payment** of their property taxes. Eligibility depends on whether the taxpayer's "gross receipts" as defined in the statute exceed a maximum limit. Tax deferral may be used in conjunction with other exemption programs, including senior, blind and disabled Veterans exemptions.
- ❑ Wellesley previously increased the Gross Receipts Limit from \$20,000 – the base statutory amount – to the current amount of \$50,000, 23 years ago in 2002.
- ❑ Article 30 proposes to raise the maximum Gross Receipts Limit from \$50,000 to **\$103,000**.

# SENIOR PROPERTY TAX DEFERRAL

- ❑ The deferred taxes must eventually be repaid with interest when the property is sold, transferred or upon the passing of the owner (or the owner's surviving spouse).
- ❑ The interest rate is recalculated annually, based on the US Treasury two-year constant maturity rate at the start of each fiscal year. For FY25 the interest rate is 4.77%.
- ❑ If the taxpayer qualifies, the Assessors will record a statement at the Registry of Deeds to confirm the Town's lien on the property and securing repayment of the deferred taxes. The Town becomes the first lien holder on the property. The taxpayer can repay the taxes plus interest anytime without penalty.

## ARTICLE 30 - SUPPORTING DATA

- ❑ In 2025, there are 12 residents participating in the deferral program with a total outstanding deferred taxes balance of just over a million dollars (\$1,000,105.93).
- ❑ Increasing the Gross Receipts Limit to **\$103,000** would enable more seniors to defray housing costs and remain in their homes.
- ❑ Taxes may be deferred until the amount due including accrued interest equals 50 percent of the then-assessed value of the property.

## ARTICLE 30 - SUPPORTING DATA

- ❑ Program eligibility is redetermined annually. Applications must be filed with the Board of Assessors by April 1.
- ❑ Of 12 surveyed communities, Wellesley has the lowest Gross Receipts Limit at \$50,000 but the 4th highest average single family tax bill.

*The Board of Assessors requests your favorable action on Article 30.*

*Thank you!*