WHAT IS A TAX DEFERRAL?

A tax deferral allows an elderly taxpayer to defer all or a portion of their tax obligation.

The Clause 41A* tax deferral option should be considered when a taxpayer's current expenses make the continued ownership of his/her home difficult. The deferred amount will become a lien on the property.

It is also important to note that tax deferral may be used in conjunction with other exemption programs.

As opposed to a property tax exemption, the deferred taxes must eventually be repaid with interest, when the property is sold, transferred or upon the demise of the owner.

Taxes deferred prior to fiscal year 2004 will continue to accrue interest at 8% annually.

Through special legislation the Town of Wellesley was able to convince State Legislators to allow the Town to charge a lower interest rate. Starting with fiscal year 2004 the interest is calculated annually based on the two year constant maturity Treasury rate for the start of each fiscal year.**

The interest rate for FY 2017 is .56%.

*Massachusetts General Laws, Chapter 59, Section 5, Clause 41A
**www.federalreserve.gov/releases//h15/data/m/tc2y

REQUIREMENTS:

- Reached the age of 65 as of July 1 of the tax year
- Owned and occupied the property for at least 5 years as of July 1 of the tax year
- Resided in Massachusetts for at least 10 years
- Gross receipts cannot exceed $50,000. If married, combined gross receipts cannot exceed $50,000

  ($20,000-$40,000 in most other communities)

HOW DO I APPLY?

Applications must be filed annually with the Board of Assessors, within three months of the mailing of the third quarter tax bill. The third quarter tax bill is mailed in December each year.

If you think you qualify for the tax deferral program, notify the Board of Assessors at (781) 431-1019 ext. 2272.

As a reminder, the mere filing of an application does not mean you can postpone the payment of your tax.

HOW LONG MAY TAXES BE DEFERRED?

Taxes may be deferred annually until the taxes due including the accrued interest equal 50 percent of the then assessed value of the property. At that time, the taxes due will continue to accrue interest until such time when the taxes are paid in full.

FOR FURTHER ASSISTANCE

The staff of the Board of Assessors is available to assist in answering any questions or concerns about your property tax assessment.

Board of Assessors
Town Hall, 1st Floor
525 Washington Street
Wellesley, MA 02482

(781) 431-1019 ext. 2272

Web Address
www.wellesleyma.gov

Monday – Friday
8:00 a.m. to 5:00 p.m.

(Rev. 07/16)

CLAUSE 41A TAX DEFERRAL FY2017

STATUTORY EXEMPTION

Taxpayer Information Guide

TOWN OF WELLESLEY
BOARD OF ASSESSORS