

## CLAUSE 41A TAX DEFERRAL

Unlike an exemption that discharges a tax obligation, Clause 41A permits an elderly taxpayer to postpone payment of property taxes.

A taxpayer already receiving a personal exemption is not precluded from seeking to defer any portion of the balance.

If you qualify, you must enter into a written tax deferral and recovery agreement with the Ipswich Assessors who will put a lien on the property to be recorded at the Registry of Deeds. Joint owners and mortgagees must give prior written approval. The agreement requires that the deferred taxes, along with 4% annual interest be repaid in full (1) when the property is sold or transferred, (2) upon your death, or (3) upon the death of your surviving spouse (if he or she qualifies for a deferral and enters into a new tax deferral agreement).

The interest rate on the deferred taxes becomes 16%, as indicated in Mass General Laws Chapter 60, Section 62, upon the owner's date of death or transfer of the property. Six months thereafter, the treasurer may seek to foreclose the lien on the property if the deferred amount remains unpaid. Once the deferred taxes are repaid the lien is released.

For eligibility, an individual must satisfy the following requirements:

- 65 years old or older
- Own and occupy the property as your domicile owned and occupied any property in Massachusetts as your domicile for at least 5 years
- Lived in Massachusetts for at least the prior 10 years
- Have an annual income not more than \$40,000 (proof is required)

### Required Documents

- Completed applications
- Birth Certificate (1<sup>st</sup> year applicant)
- 2022 Federal Tax Return
- Lien required of application is approved

If you have any questions, please call the Assessor's Office at (978) 356-6603 or email [assessors@ipswichma.gov](mailto:assessors@ipswichma.gov).