

# **Tax Facts – *What You Should Know***

## **Tax Rates**

The FY 2008 tax rates were determined in December 2007 and are used with both the 3<sup>rd</sup> and 4<sup>th</sup> quarter FY2008 tax bills.

## **Bill Payment**

Tax bills are issued by the City Tax Collector. The 3<sup>rd</sup> quarter tax bill must be paid in full by February 1<sup>st</sup>, 2008 – even if you have an application for abatement or exemption pending.

## **Assessment Date**

Massachusetts law provides for a uniform assessment date – January 1<sup>st</sup> – for each tax year. The assessment date for fiscal year 2008 (July 1, 2007 – June 30, 2008) is January 1, 2007. The assessment date establishes the ownership, condition and occupancy of each parcel. If your property was purchased, sold, subdivided, renovated or suffered fire damage after January 1, 2008, these conditions will be reflected on the fiscal year 2009 – 3<sup>rd</sup> quarter tax bill.

## **New Owners and Tax Bills**

Massachusetts law requires local Collectors to issue the tax bill to the owner of record on January 1<sup>st</sup> preceding the tax year in question. If you acquired the property after January 1<sup>st</sup> 2007 (the assessment date for fiscal year 2008) tax bills will be sent out in the former owner's name for the remainder of the fiscal year. It takes a full billing cycle (1 year) for ownership name changes because the law stipulates the ownership/assessment date of January 1. As a rule, this issue is discussed in detail at the closing and sale of property since errors could result in a lien against the property. Former owners who receive a tax bill after the sale of their property are requested to forward the bill to the new owner. However, this is voluntary. The new owner is ultimately responsible for procuring

**their property tax bill and paying all the taxes once the sale is concluded.**

**PLEASE NOTE: The Assessing Department will mail tax bills out “in care of” the new owner if timely receipt of the new property deed permits them to do so. “Amount due” information is always available by contacting the Tax Collector.**

## **Change of Tax Bill Mailing Address**

**If you are the “deeded” owner of a property and wish to have your tax bill mailed to an address other than to the property’s location, you may send a written request to the Assessing Department directing them to mail your tax bills to an alternative location.**

## **Abatements**

**An abatement is a reduction of a property tax, based upon a review and correction of a property’s assessed value. Massachusetts General Laws provide for an abatement procedure that must be followed when taxpayers believe that their property is over-assessed, disproportionately assessed (this refers to an entire class of property, not to any individual unit or development), improperly classified or exempt from taxation. An abatement application may be filed by the person to whom the property is assessed, or the person who became the owner of the property after January 1.**

**For Fiscal Year 2008, applications for abatement must be filed with the Assessing Department after the 3<sup>rd</sup> quarter tax bill is mailed and no later than February 1, 2008. No abatement can be granted unless the application is filed on time. The bill must be paid by February 1, 2008, even if an abatement application is pending.**

**Forms are available online at [www.salem.com](http://www.salem.com) on the Assessing Department web page or at City Hall, Room 6.**

## **Property Tax Assistance**

### **Personal Exemption**

**A personal exemption reduces all or a portion of the taxes assessed on property. Personal exemptions are available to qualified homeowners who are elderly (at least 70), blind, surviving spouses, minor children of deceased parents, or veterans with service-connected disabilities. Each exemption has eligibility requirements (e.g., age, income restrictions). You may not receive more than one personal exemption. However if you qualify for two or more exemptions, you will receive the exemption that saves you the most money.**

**No income restrictions are attached to the veterans or blind exemption.**

**The income of a single elderly applicant cannot exceed \$20,778 per year and the whole estate cannot exceed \$36,481.**

**The income of a married elderly applicant cannot exceed \$25,307 per year and the whole estate cannot exceed \$39,086.**

**The whole estate of a surviving spouse cannot exceed \$52,117.**

**Filing deadline for personal exemptions is March 31, 2008.**

### **Elderly Tax Deferral**

**The tax deferral allows elderly taxpayers (age 70 or older) with annual incomes of less than \$40,000 to defer payment of all or a portion of their property taxes. A tax deferral should be considered when an owner's current expenses make continued ownership of his/her home difficult. A deferral in not and exemption. Instead, the amount of the deferred tax, plus interest accruing at the rate of 8% per year, must be repaid when the property is sold or transferred, or when the owner is deceased. A tax deferral represents a lien on the property but, may, for some owners, be a viable financial option.**

**Filing deadline for tax deferrals is March 31, 2008.**

**Specific questions on any of the above information may be addressed to the Assessing Department online at [assessors@salem.com](mailto:assessors@salem.com), by calling 978-745-9595, ext. 5665, or in person at City Hall.**