Tax Facts – *What You Should Know!*

Tax Rates

The FY 2014 tax rates were determined in December 2013 and are used with both the 3rd and 4th quarter FY 2014 tax bills.

Bill Payment

Tax bills are issued by the City Tax Collector. The 3rd quarter tax bill must be paid in full by February 3rd, 2014 – even if you have an application for abatement or exemption pending.

Assessment Date

Massachusetts law provides for a uniform assessment date – January 1st – for each tax year. The assessment date for Fiscal year 2014 (July 1, 2013 – June 30, 2014) is January 1, 2013. 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, 2013, these conditions will be reflected on the fiscal year 2015 – 3rd 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 1st preceding the tax year in question. If you acquired the property after January 1st 2013 (the assessment date

for fiscal year 2014) 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 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 or an email to any of the Assessor's listed on the Salem website 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 2014, applications for abatement must be filed with the Assessing Department after the 3rd quarter tax bill is mailed and no later than February 3, 2014. No abatement can be granted unless the application is filed on time. The bill must be paid by February 3, 2014, even if an abatement application is pending.

Forms are available online at www.salem.com on the Assessing Department web page or at City Hall, 93 Washington St., 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 $23,633 per year and the whole estate cannot exceed $41,405.

The income of a married elderly applicant cannot exceed $28,798 per year and the whole estate cannot exceed $44,363.

The whole estate of a surviving spouse cannot exceed $59,151.

Filing Deadline for personal exemptions is March 31, 2014.

Elderly Tax Deferral

The tax deferral allows elderly taxpayers (age 65 or older) with annual incomes of less than $23,633 for a single applicant and $28,798 for a married applicant 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 is not an exemption. Instead, the amount of the deferred tax, plus interest accruing at the rate of 4.5% 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, 2014.

Specific questions on any of the above information may be addressed to the Assessing Department online at assessors@salem.com, by calling 978-619-5608 or in person at City Hall, 93 Washington Street.