

Community Preservation Act

The Massachusetts Community Preservation Act (CPA) allows communities to vote for a 1% to 3% Real Estate Tax surcharge with certain exemptions. The proposal was on the November 8, 2022 ballot for and was passed by the voters. This implements a 1% surcharge with a \$100,000 residential exemption.

This surcharge will first appear on your FY24 1st Quarter Bills with an issue date of July 1st, 2023.

Please see below for links for helpful information on this subject and a sample bill calculation.

Sample Bill Calculation:

Sample Tax Bill without CPA for a single-family home assessed at \$600,000 (based on FY2022 tax rate)	
(a) Single Family Home Assessed Value	\$ 600,000
(b) FY2022 Tax rates per \$1,000	\$ 13.34
(c) Property Tax (a x b)	\$ 8,004
Sample Tax Bill with CPA	
(d) CPA Residential Exemption	\$ 100,000
(e) CPA Taxable Value (a-d)	\$ 500,000
(f) CPA Tax Basis (b x e)	\$6,670
(g) CPA Surcharge	1%
(h) CPA Surcharge (f x g)	\$66.70 per year
(i) Property Tax with CPA (c+h)	\$8,070.70 per year

Helpful Links:

<https://malegislature.gov/laws/generallaws/parti/titlevii/chapter44b>

<https://www.mass.gov/lists/community-preservation-act>

Requirements for Exemption (FY23 example)

Must not exceed certain limitations based on Calendar Year 2021 income. Annual household income is the income received from all sources, regardless of income tax status, by **all** household

members 18 and older who are not full-time students. Certain deductions are allowed for dependents (not spouse) and medical expenses.

Property Owned by Senior (60 and over)

Household Size	Median Income*	Household Adjustment	Adjusted Income
1	\$140,200	.70	\$98,140
2	\$140,200	.80	\$112,160
3	\$140,200	.90	\$126,180
4	\$140,200	1.00	\$140,200

Property Owned by Non-Senior (under 60)

Household Size	Median Income*	Low Income Adjust.	Household Adjustment	Adjusted Income
1	\$140,200	.80	.70	\$78,512
2	\$140,200	.80	.80	\$89,728
3	\$140,200	.80	.90	\$100,944
4	\$140,200	.80	1.00	\$112,160
5	\$140,200	.80	1.08	\$121,133
6	\$140,200	.80	1.16	\$130,106