

# MassResources.ORG

## FEDERAL AND STATE TAX CREDITS FOR MASSACHUSETTS RESIDENTS

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### Circuit Breaker Tax Credit

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NOTE: Glossary words are highlighted. Click on any glossary word to see its definition.

#### What is the Circuit Breaker Tax Credit?

The Circuit Breaker Tax Credit is a state income tax credit for eligible Massachusetts residents age 65 or older who paid rent or real estate taxes during the tax year. Even though the credit is based on property taxes, the state government, not the city or town, pays the credit.

The credit is for senior homeowners and renters who meet income limits and other eligibility requirements. Homeowners may claim the credit if they paid more than 10% of their total income for real estate taxes, including water and sewer debt charges. Renters can count 25% of their rent as real estate tax payments.

You must file a state income tax return to claim the Circuit Breaker Credit, whether or not you have to file otherwise. If your credit is greater than the amount of income taxes you owe, the state will give you a refund for the difference. The maximum credit for tax year 2013 is \$1,030. (The maximum credit for tax year 2012 was \$1000.)

#### Am I eligible?

The Circuit Breaker Tax Credit is for low and moderate income seniors whose real estate tax payments\* are greater than 10% of their income. Homeowners and renters can claim the credit.

\*Renters can count 25% of the rent payments they made during the tax year as real estate tax payments.

To qualify:

- you or your spouse must be age 65 or older by the end of the tax year
- if married, you must file jointly
- you cannot be the dependent of another taxpayer
- you must rent or own a home in Massachusetts that is your principal residence
- if you are a homeowner, your property's assessed value cannot be greater than \$700,000 on January 1, 2013
- if you are a renter, you cannot be getting a federal or state rent subsidy (such as Section 8), and your landlord must pay property taxes
- you must meet the income limits
- the amount you paid for real estate taxes must be greater than 10% of your total income

#### What are the income limits

Your total income cannot be greater than these limits for the 2013 tax year:

- \$55,000 single
- \$69,000 head of household

- \$82,000 married filing jointly

"Total income" includes some types of non-taxable income, such as social security, retirement, pensions and annuities, cash public assistance, tax-exempt interest and dividends, and certain other income. For details, see the list of [specific items included in total income](#) and [specific items excluded from total income](#) on the DOR web site.

## How do I calculate real estate tax payments?

To calculate your real estate tax payments:

- Homeowners should include all real estate tax payments (minus any abateements or exemptions) actually paid during the tax year
- Homeowners may also add 50% of the water and sewer charges paid during the year (unless they live in one of the following communities that includes water and sewer debt charges in the real estate taxes: Arlington, Avon, Easthampton, Hadley, Hatfield, Webster, and Winchester)
- Renters should count 25% of the rent payments they actually paid during the tax year as real estate tax payments.

## What benefits will I get?

The maximum tax credit you can get is \$1,030 for tax year 2013. The actual credit you will get depends on your income and your real estate tax payments.

- If your real estate tax payments for the year were less than or equal to 10% of your total income, you do not qualify for the circuit breaker tax credit.
- If your real estate tax payments were greater than 10% of your total income, subtract 10% of your income from your real estate tax payments to find the amount of your tax credit, up to a maximum of \$1,030 for tax year 2013.

For details about how the circuit breaker tax credit is calculated, and for example calculations, see [Calculation of the Credit](#) from the DOR.

If you did not claim the circuit breaker tax credit in previous years, you can go back and claim the credit now. You are allowed to file back three years to claim the credit. The circuit breaker credit was started in 2001.

## How do I apply?

You must file a Massachusetts state income tax return to claim the Circuit Breaker Credit, whether or not you normally file a state tax return. You must include Schedule CB, Circuit Breaker Credit, with Form 1.

You can file your tax return electronically using the Department of Revenue's free online tax filing program called WebFile for Income. WebFile for Income uses a question-and-answer interview method to collect your information and fill out your forms. Almost all Massachusetts residents can use WebFile to file their state tax returns electronically, at no charge:

- [WebFile for Income](#)

If you do not want to file your state tax return electronically, you can download and print Form 1 and Schedule CB from the Department of Revenue web site using the links below:

### [2013 Massachusetts Tax Forms and Schedules](#)

- [2013 Form 1 Package](#)
- [2013 Schedule CB](#)

You may also order tax forms by calling the Department of Revenue's 24-hour automated telephone assistance toll-free at 1-800-392-6089.

For other tax filing options, see [Income Tax Filing Options](#) on the DOR web site.

For mailing addresses for paper forms, see DOR's [Massachusetts Tax Forms Mailing Addresses](#).

## How do I claim the credit from a previous year?

To claim the Circuit Breaker Credit from a previous year:

- If you filed a Form 1 for that year, you should file a Form CA-6 (Application for Abatement/Amended Return) and a Schedule CB from that year.
- If you did not file a Form 1, you must file a Form 1 from that year now, including Schedule CB.

You can file back three years to claim the credit.

To get the proper forms, call the DOR toll-free at 1-800-392-6089 or visit the DOR web site [Personal Income Tax Forms](#). Choose the correct tax year for Form 1 and Schedule CB. For Form CA-6, see [Additional Forms and Schedules](#).

## Where can I get help?

You can get help filing your state tax return to claim the Circuit Breaker Credit from the AARP Tax-Aide Program. AARP Tax-Aide is a free tax counseling program for low and middle-income Massachusetts residents, especially those age 60 or older.

Trained volunteers will answer your questions and help you prepare your tax forms. They will also help you file for the credit from previous years if you did not claim it then.

To find AARP Tax-Aide sites in your community, call AARP toll-free at 1-888-227-7669 or use the [AARP Tax-Aide Site Locator](#).

You can also call the Massachusetts Department of Revenue with questions about filing for the Circuit Breaker Credit. The DOR's toll-free number is 1-800-392-6089. The DOR Teletypewriter number is 617-887-6140.

## Useful links

These links are external links to web sites that are not part of MassResources.org. When you click on these links, you will leave our site. Click "Back" on your browser to return.

### 1. [Massachusetts Department of Revenue](#)

Official Massachusetts government web site for state income tax information and forms. Includes:

- [Real Estate Tax Credit for Persons Age 65 and Older \(known as the Circuit Breaker Credit\)](#)
- [Special Provisions for Seniors and Retirees](#)
- [WebFile for Income](#)