

# The Massachusetts circuit breaker tax credit

The Massachusetts circuit breaker tax credit is one of the best ways older people on limited income can receive up to \$970. Here are some of the rules regarding the credit for 2010. The taxpayer must be age 65 or older who owns or rents his/her principal residence. The total income cannot exceed \$51,000 for a single person. For head of household the limit is \$64,000 and for married filing jointly the limit is \$72,000 there are also some rules regarding assessed value not to \$764,000. No credit is allowed if one of the following applies. Taxpayer claims married filing separate status, or is the dependent of another taxpayer, there are a few other restrictions.

For **homeowners** if the tax payers property tax and water and use charges (with some exceptions) exceeds 10% of the total income. The excess will be converted to a refundable credit of up to \$970.

For **renters** the refundable credit is equal to 25% of the rent actually paid by the tax payer during the years which exceed 10% of the tax payer's total income. If the taxpayer qualifies for an earlier year we may be able to go back up to three years and file a state amendment for the credit for each year. You do not have to file a federal tax return to file for the state credit. If you have any questions please feel free to give me a call (508) 525-6522.

## TAX CREDIT WORKSHEET

### For Homeowners:

#### Step 1: Determine Tax Credit Base

Your Property Tax (a)\$ \_\_\_\_\_  
+ (plus) 50% of your  
water/sewer bill (b)\$ \_\_\_\_\_  
= (c)\$ \_\_\_\_\_

#### Step 2: Calculate Your Qualifying Income

Total Annual Income (d)\$ \_\_\_\_\_  
*(Include all income exempt from state income tax,  
i.e. Social Security, state/municipal pensions, etc.)*  
- (minus) Exemptions (e)\$ \_\_\_\_\_  
*(See 2007 Massachusetts state income tax return Form 1 booklet for total  
exemptions: line 2b for other dependents, line 2c  
for  
age 65+, line 2d for blindness)*  
x (times) .10 = (f)\$ \_\_\_\_\_  
= (g)\$ \_\_\_\_\_

#### Step 3: Calculate Possible Credit\*

Line (c) \$ \_\_\_\_\_  
- (minus) Line (g) \$ \_\_\_\_\_  
= Possible Credit\* \$ \_\_\_\_\_

**This is NOT an official tax document.**

### For Renters:

#### Step 1: Determine Tax Credit Base

Your Annual Rent (a)\$ \_\_\_\_\_  
x (times) 0.25 (b)\$ \_\_\_\_\_

#### Step 2: Calculate Your Qualifying Income

Use Step 2 above, enter amount in line (g)  
here:

(c)\$ \_\_\_\_\_

#### Step 3: Calculate Possible Credit\*

Line (b) \$ \_\_\_\_\_  
- (minus) Line (c) \$ \_\_\_\_\_

= Possible Credit\*  
\$ \_\_\_\_\_

Maximum tax credit for the 2010  
tax year is \$970.00