LOW INCOME PERSONS
CPA EXEMPTION
FY2016

Exemption Eligibility Requirements:

- **The Low/Moderate Income Exemption applies only to Residential property.**

- **Applicant must own and occupy the property as of January 1, 2015.** Applicant may be: (1) sole owner, (2) co-owner, (3) life tenant or (4) trustee with sufficient beneficial interest in property under terms of trust. All co-owners do not have to occupy the property; however, each co-owner must meet the Annual Household Income standard. For property subject to a trust, each co-trustee must also meet income standard. (See chart below for the formula used by household type.)

- **Applicant must provide proof of age.**

- **Applicant must provide proof of Annual Household Gross Income from all sources from all household members who are 18 or older and not full time students in calendar year preceding January 1, 2015.**

- **Applicant must provide proof of number of dependents.**

Determination of Eligibility of Applicant's (Net) Annual Household Income:

1. **Determine Annual Household Gross Income from all sources (including all household members who are 18 or older and not full time students during the previous calendar year).**
   - Includes: wages, salaries and bonuses, public and private pensions, retirement income, Social Security, alimony, child support, interest and dividend income, net income from business, public assistance, disability and unemployment insurance, regular contributions/gifts from party outside of the household.

2. **Deduct allowance for Dependents.**
   - Number of dependents on January 1, 2015, (not including spouse) x $300. (Established by the State Department of Housing and Community Development, 760 Code of Massachusetts Regulations 6.05(4)).

3. **Deduct (certain) Medical Expenses.**
   - Total out of pocket medical expenses of all household members for calendar year preceding January 1, 2015 (total must exceed 3% of household annual gross income in order to be deducted).
   - Out of pocket medical expenses must be documented and includes: health insurance premiums, payments to doctors, hospitals and other health care providers, diagnostic tests, prescription drugs, medical equipment or other expenses not paid or reimbursed by employers, public/private insurers or other third parties.

4. **Equals Household Annual Income for CPA Exemption.**
   - The result is the (Net) Annual Household Income to be used for the application for the CPA Low/Moderate Income Exemption. This amount **cannot exceed the *Annual Income Limits for Household Type and Size*** (see chart below). The Annual Income Limit is based on the Area Wide Medium Income (AWMI) set by the U.S. Department of Housing and Urban Development (HUD).

FY2016 Annual Income Limit	
Household Size	**Annual Income Limit Non-Senior Household Type: Property Owned by Non-Senior (<60)**
1	$55,200
2	$63,050
3	$70,950
4	$78,800
5	$85,150
6	$91,450
7	$97,750
8	$104,050

The figures above in the chart are based on the median income amount issued by HUD on 3/6/2015.