

The Community Preservation Act (CPA) as approved at 3% by West Newbury voters in May 2006, creates a dedicated funding source financed by the surcharge revenues and state matching funds, for certain open space, historic resource, recreational land and community housing purposes. The Community Preservation Committee will make recommendations for the use of the funds to Town Meeting for its approval.

Who must pay the CPA Surcharge?

The CPA Surcharge is paid by all residential and commercial property owners.

How is the surcharge calculated?

An example, the 3% Surcharge is calculated as follows: (data is based on the FY2023 median home in West Newbury).

| | |
|--------------------------------|-----------|
| FY 2023 Assessed Value: | \$815,128 |
| - Exemption for CPA: | \$100,000 |
| Net Value: | \$715,128 |
| x Tax Rate/\$1,000 | \$11.03 |
| Net Tax | \$7,888 |
| x Surcharge Rate | 3% |
| CPA Surcharge | \$236.64 |

Are there Exemptions to the CPA?

The Town of West Newbury has approved the following exemptions:

- ❖ The first \$100,000 of assessed value is exempt on residential real estate (as classified on January 1) for purposes of calculating the CPA surcharge.
- ❖ A complete exemption from the surcharge for property owned and occupied as a domicile by any person who qualifies for low income or low or moderate income senior housing.

EXEMPTION REQUIREMENTS:

To qualify for this exemption for fiscal year 2024 you must meet certain **household** income requirements based on **calendar year 2022 income**.

Qualifications for Low or Moderate Income SENIOR:

- ❖ Age, Ownership, Occupancy, and Use requirements must be met as of January 1, 2023.
- ❖ Must be 60 years of age or older to qualify for low or moderate income senior housing* as calculated below.

| Household Size | Median Income* | Household Adjustment | Adjusted Income |
|----------------|----------------|----------------------|-----------------|
| 1 | \$118,600 | .70 | \$83,020 |
| 2 | \$118,600 | .80 | \$94,880 |
| 3 | \$118,600 | .90 | \$106,740 |
| 4 | \$118,600 | 1.00 | \$118,600 |

*($\$118,600 \times \text{Household Size Factor} = \text{Adjusted Income}$)

Qualifications for Low Income

- ❖ Ownership, Occupancy, and Use requirements must be met as of January 1, 2023.
- ❖ Under 60 years of age whose income is less than 80% of the area wide median income* and who qualifies for low income housing.

| Household Size | Median Income* | Low Income Adjustment | Household Adjustment | Adjusted Income |
|----------------|----------------|-----------------------|----------------------|-----------------|
| 1 | \$118,600 | .80 | .70 | \$66,416 |
| 2 | \$118,600 | .80 | .80 | \$75,904 |
| 3 | \$118,600 | .80 | .90 | \$85,392 |
| 4 | \$118,600 | .80 | 1.00 | \$94,880 |
| 5 | \$118,600 | .80 | 1.08 | \$102,470 |
| 6 | \$118,600 | .80 | 1.16 | \$110,061 |

*($\$118,600 \times 80\% \text{ US HUD Low Income Adjustment} \times \text{Household Size Factor}$)

*The area-wide median income (AWMI) shall be determined by the United States Department of Housing and Urban Development. HUD's Area Wide Median Income for the "Lawrence Metropolitan Area" for Federal Fiscal Year 2023 is \$118,600.

How is Household Income Determined?

- * Household Annual Gross Income is the income received from all sources regardless of income tax status under federal or state law, during the **calendar year 2022**, by all members of the household 18 yrs. or older who are not full-time students.
- * Less an allowable deduction for Dependents other than a spouse. (Based on the Mass. Dept. of Housing & Community Development standards)
- * Less total household out of pocket medical expenses for the calendar year exceeding 3% of household annual gross income.

How do I apply?

Applications must be completed and filed with the **Board of Assessors annually** for approval. Supporting documentation will be required to help the Board make a determination of your eligibility for the exemption.

What if I don't pay the surcharge?

The filing of an application **does not** mean you can postpone the payment of your CPA Surcharge. An interest rate of **14%** will be charged on unpaid balances.

How long will the Surcharge Apply?

Once accepted the town must wait at least **5 years** after the referendum passes to revoke. Revocation is by the majority vote of Town Meeting and by referendum. G.L. Ch 44B S16(b). However, the town can vote to change the percentage annually to an amount **up to 3%**.

FOR FURTHER ASSISTANCE

The staff of the Board of Assessors is available to assist in answering any questions or concerns about your property tax assessment and exemptions.

**Board of Assessors
1910 Town Office Building
381 Main Street
West Newbury, MA 01985**

(978) 363-1100 ext. 117

**Web Address
www.wnewbury.org**

**Monday to Thursday
8:00 a.m. to 4:30 p.m.
Friday
8:00 a.m. to 12 noon**

The Community Preservation Committee has been formed and it will bring recommendations for the use of the funds to a future Town Meeting for its approval.

Rev (8/23)

Community Preservation Act

Taxpayer Information Guide For FY2024



**TOWN OF WEST NEWBURY
BOARD OF ASSESSORS**