

Psst, seniors, are you aware of this tax credit?

By Eric Moskowitz
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As the youngest of nine children raised by a Roxbury widow during the Depression, Rita Rogoff learned to maximize a dollar. Now in her 80s and widowed herself, Rogoff has maintained her independence and her Sharon home without a pension, stretching her Social Security checks as far as she can.

"I'm grateful that I'm getting along the way I am, but we all know it's getting tougher and tougher," said Rogoff.

Life got a little easier last year, when she learned she was eligible for a little-known state program that offers a significant tax refund to senior citizens.

Thousands of people like Rogoff are unaware of the program, called the "Senior Circuit Breaker Tax Credit." In 1999, lawmakers estimated that roughly 130,000 people would take advantage of it when they enacted the credit. But fewer than 27,000 people filed successfully the first year, and only this year did the number of recipients exceed 60,000 for the first time, according to the Department of Revenue.

That means Massachusetts senior citizens annually forgo tens of millions of dollars in benefits they are eligible for by law.

The Gerontology Institute at the University of Massachusetts at Boston will release a report early next year, underwritten by The Boston Foundation, to promote the underutilized tax break, and to assess the success and awareness of other aid programs for seniors.

"People need to know that this opportunity exists," said Ann L. Hartstein, executive director of the Massachusetts Association of Older Americans, a statewide advocacy organization. "It's a windfall that could really help them get back on their feet and manage better in times that are so tough now."

For Rogoff and others, the tax refund provides up to \$930 a year in relief. Because the Department of Revenue accepts applications for up to three previous years, first-time filers by April 15 could receive over \$3,000 in total benefits for tax years dating to 2005.

That would mean substantial help for the thousands of seniors across the state whose income and assets - strained by food, fuel, prescription drugs, and taxes - are not enough to cover basic living

costs. In Massachusetts, 37 percent of people over 75 earn less than 200 percent of the poverty level (\$20,800 individually or \$28,000 for a couple), said Laura Henze Russell, who directs the Lifelines for Elders Program at the Gerontology Institute.

Lack of awareness about the tax credit, as well as misunderstanding and reluctance to accept help, has limited the number of recipients, Henze Russell and others said.

Eligible seniors may also be thrown off by the "Circuit Breaker" name, said Norma Simons Fitzgerald, executive director of Sharon's Council on Aging.

"We have talked to the Legislature about it," said Simons Fitzgerald, cochairwoman of a property tax relief task force for the Massachusetts Councils on Aging, a statewide coalition. "It confuses people."

Robert Bliss, spokesman for the Department of Revenue, said the state welcomes help in reaching the "large universe" of potential beneficiaries out there.

Although the department held an 11-community speaking tour on the credit last tax season, "there is certainly no quote-unquote advertising budget," Bliss said.

Lawmakers had property taxes in mind when they enacted the credit, but residents do not need to be homeowners - nor do they need to pay income taxes - to receive it.

Homeowners qualify for 2008 if their home was assessed at up to \$793,000 - nearly double the 2008 state average of \$403,687 - and if their property taxes, plus 50 percent of water and sewer bills, exceeded 10 percent of their income. The credit equals that excess amount, up to \$930.

Renters can get the refund if 25 percent of their annual rent - estimated to be the amount covering a landlord's property taxes - exceeds 10 percent of annual income. Renters in subsidized apartments are ineligible.

Residents 65 and older may apply for 2008 if they earned up to \$49,000 individually (the limit is \$62,000 for heads of households, and \$74,000 for couples filing jointly), meaning about 70 percent of the state's 800,000-plus seniors would at least meet the income criteria, Henze Russell said.

Rogoff, who filed with help from an AARP tax volunteer at the Sharon Council on Aging, said she hopes more peers seek it.

"If you can apply for it and you should be getting it, go get it," said Rogoff, who raised two daughters in the tidy Cape Cod-style home she purchased with her husband in 1955, and where she hopes to remain. "Every little bit helps." ■

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