

**COMMUNITY PRESERVATION SURCHARGE
LOW/MODERATE INCOME EXEMPTION
Exemption Eligibility Requirements**

1. **Applicant must own the property as of January 1.**
May be (1) sole owner, (2) co-owner, (3) life tenant or (4) trustee with sufficient beneficial interest in property under terms of trust.
2. **Applicant must occupy the property as domicile as of January 1.**
3. **Applicant and each co-owner must have household income for the calendar year before January 1 at or below the limit for that owner's household type and number (over for formula).**
For property subject to trust, each co-trustee must meet income standard.

Calculation of Each Owner's Household Income

1. **Household Annual Gross Income from all sources.**
 - 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 the household.
 - Includes income of all household members who were 18 or older and not full time students during calendar year.
2. **Deduct Dependents Allowance.**
 - Number dependents on January 1 (not spouse) x \$ DCHD allowance.*
3. **Deduct Medical Expenses Exclusion.**
 - Total out of pocket medical expenses of all household members for calendar year exceeding 3% of household annual gross income (from line 1 above).
 - Out of pocket medical expenses include 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.**
 - Cannot exceed *Annual Income Limit for Household Type and Size*.

* Currently \$300. Available from 760 Code of Massachusetts Regulations 6.05(4) at www.state.ma.us/dhcd/regulations. Click on Index of Effective DHCD Regulations. [Updated web site reference 9/2002].