

What is the Community Preservation Act and how does it impact my taxes?

Massachusetts General Law established the Community Preservation Act ("CPA"). The CPA establishes a special fund with dedicated revenues, to provide communities with additional financial resources to expand their open space, historic, recreational and community housing assets.

How is the CPA funded?

The CPA approved by Southborough voters on May 12, 2003, adopted a surcharge of 1% on all real estate tax assessments.

How is the surcharge calculated?

The first \$100,000 of assessed value for all residential property in Southborough is exempt from the surcharge. For example, if your home is valued at 700,000, the 1% surcharge tax will be calculated on a \$600,000 value.

Here's an example of the calculation of the CPA surcharge, if the tax rate in the above example was \$14.50 per \$1000 of value:

Assessed Value:	\$700,000
<u>- Residential Exemption for CPA:</u>	<u>-100,000</u>
Net Value:	\$600,000
<u>X Tax Rate/\$1,000</u>	<u>.01450</u>
Net Tax	\$8,700.00
<u>X Surcharge Rate</u>	<u>. 01</u>
CPA Surcharge	\$87.00

What if I cannot afford to pay the additional surcharge?

You may be eligible for a complete exemption from the surcharge if you qualify under the low-moderate median income limits established annually by the U.S. Department of Housing and Urban Development (HUD). The property must be owned by you and occupied as your domicile. Applications and guidelines are available at the Office of the Assessors in the Town House or on our webpage. If you believe you qualify, please contact us at 508-485-0720. Supporting documentation will be required to help the Board of Assessors determine eligibility for this exemption. ***As a reminder, filing an application does not mean you can postpone the payment of your CPA surcharge.***