

## The Community Preservation Act (CPA) Surcharge and Exemption

The Community Preservation Act, adopted by Shutesbury in 2009, adds a surcharge to your tax bill, applied to all real property. The surcharge amounts to 1.5% of the tax above a \$100,000 exemption threshold. For example, if your house were valued at \$300,000, the CPA base amount would be calculated as \$200,000 times the tax rate. That amount, multiplied by 1.5%, is the CPA surcharge.

Property owners of moderate- and low-income can be exempted entirely of the surcharge depending on net income and the size of the household. The Area Wide Median Income (AWMI) is a factor in determining income eligibility for the CPA exemption, as defined by the US HUD (available at [www.huduser.org](http://www.huduser.org)).

An application form for this exemption is available from the Assessors' Office or online at [www.shutesbury.org/assessor](http://www.shutesbury.org/assessor). Documentation of income is required for each household member age 18 and over who is not a full-time student. Documentation includes a copy of the previous year's federal income tax return and a completed CPA exemption application. These must be received in the Assessors' Office by 5 PM on April 1<sup>st</sup>.