

SENATE No. 1449

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act providing for a local option tax exemption.

PETITION OF:

NAME:

James B. Eldridge

DISTRICT/ADDRESS:

SENATE No. 1449

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 1449) of James B. Eldridge for legislation to provide for a local option tax exemption . Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act providing for a local option tax exemption.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 59 of the General Laws is hereby amended by
2 inserting after section 5N the following section:

3 Section 5M. Senior Residents.

4 In any city or town that accepts the provisions of this section, with respect to
5 each parcel of real property classified as class one residential that further meets the qualifications
6 of this section, there shall be a cap on property taxes of up to 10 per cent of the total annual
7 household income, except that in no event shall property taxes be reduced by more than 50 per
8 cent of the tax due, including all tax abatements and exemptions, but excluding state circuit
9 breakers. The exemption shall be applied only to the principal residence of a taxpayer as used by
10 the taxpayer for income tax purposes.

11 Real property shall qualify for the exemption if all the following criteria are
12 met:

13 (a) the qualifying real estate is owned and occupied by a person or family
14 where the total annual household income shall not exceed the following: single applicant
15 \$51,000; single head of household applicant: \$64,000; married applicant filing jointly \$77,000;

16 (b) the qualifying real estate is owned and occupied by at least 1 person
17 having reached age 65 or 70, as specified by the city or town that accepts this section, at the
18 close of the previous tax year;

19 (c) the qualifying real estate is owned and occupied by the applicant at least 6
20 months plus 1 day each year;

21 (d) the applicant has resided in the city or town at least 10 consecutive years
22 before filing an application for the exemption; and

23 (e) the maximum assessed value of the applicant's primary residence is no
24 greater than the median assessed value of a single family residence in the city or town plus 10
25 per cent, as measured for the tax year immediately previous to the tax year for which the
26 application for exemption is filed.

27 The exemption provided for in this section shall be in addition to any other
28 exemption allowable under the General Laws, except that there shall be a dollar cap for all tax
29 abatements, excluding circuit breakers. This cap shall be set annually by the tax setting authority
30 and shall be between .5% and 1% of the previous fiscal year's total tax levy for the accepting
31 municipality.

32 A person who seeks to qualify for this exemption shall file with the board of
33 assessors an application for abatement on a form to be adopted by the tax setting authority and

34 available at the assessor's office with the supporting documentation as described in the
35 application. The application shall be filed by January 31 each year for which the applicant seeks
36 the exemption for the fiscal year commencing the following July 1.

37 For the purposes of this act, "parcel" shall be a unit of real property as defined
38 by the assessors in accordance with the deed for the property and shall include a condominium
39 unit.

40 For purposes of the exemption, "total annual household income" shall be the
41 sum of the applicant's "total taxable 5.3 per cent income" on Massachusetts Form 1 and those
42 same incomes for other income-producing members of the household. The income shall be
43 increased by amounts that may have been excluded or subtracted from calculation, such as
44 income from social security benefits, cash public assistance, tax-exempt interest and dividends,
45 capital gains, income from a partnership or trust, returns on capital reported on schedule C and
46 excluded income from any other source.

47 Acceptance of this chapter by the city or town shall be by a majority vote of
48 its legislative body. The acceptance shall become effective on the thirtieth day following the
49 affirmative vote.

50 The acceptance of this act may be revoked by a majority vote of the legislative
51 body, subject to its charter. Revocation shall become effective on the thirtieth day following
52 that vote.