HOUSE DOCKET, NO. 4061 FILED ON: 1/21/2014

HOUSE . . . . . No. 3923

The Commonwealth of Massachusetts

PRESENTED BY:

***John V. Fernandes*, (BY REQUEST)**

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 relative to real property tax exemption improvement.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Umberto Dias	*66 Lawrence Street Milford, MA 01757*	*1/21/2014*

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By Mr. Fernandes of Milford (by request), a petition (subject to Joint Rule 12) of Umberto Dias relative to real property tax exemptions. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act relative to real property tax exemption improvement.

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

SECTION 1. Section 5 of chapter 59 of the General Laws is hereby amended by striking out clause Forty-first C and inserting in place thereof the following clause:-

Forty-first C. Real property, in the case of a single-person who has reached his sixty-eighth birthday prior to the fiscal year for which an exemption is sought who owns the same jointly or as a tenant in common with a person not his spouse and occupied by him as his domicile: (1) to the amount of 26 per cent of taxable valuation if his Massachusetts adjusted gross income as provided for in this clause for the taxable year is less than $31,000; (2) to the amount of 30 per cent of taxable valuation if his Massachusetts adjusted gross income as provided for in this clause for the taxable year is equal to $31,000 but less than $36,000; (3) to the amount of 26 per cent of taxable valuation if his Massachusetts adjusted gross income as provided for in this clause for the taxable year is equal to $36,000 but less than $46,000; or real property, in the case of a person, if married, who has reached his sixty-eighth birthday prior to the fiscal year for which an exemption is sought and occupied by said person as his domicile, or of a person who owns the same jointly with his spouse, either of whom has reached his sixty-eighth birthday prior to the fiscal year for which an exemption is sought and occupied by them as their domicile: (1) to the amount of 26 per cent of taxable valuation if his Massachusetts adjusted gross income as provided for in this clause for the taxable year is less than $30,000; (2) to the amount of 30 per cent of taxable valuation if his Massachusetts adjusted gross income as provided for in this clause for the taxable year is equal to $30,000 but less than $41,000; (3) to the amount of 26 per cent of taxable valuation if his Massachusetts adjusted gross income as provided for in this clause for the taxable year is equal to $41,000 but less than $55,000; provided, that (A) any such person claiming an exemption pursuant to this clause: (1) has been domiciled in the commonwealth for the preceding 10 years, (2) has so owned and occupied such

real property or other real property in the commonwealth for 2 years, or (3) is a surviving spouse who inherits such real property and has occupied such real property in the commonwealth 2 years and who otherwise qualified under this clause; (B) provided, however, that in computing the gross receipts of an applicant under this clause ordinary business expenses and losses may be deducted, but not personal or family expenses; provided, further, that beginning in state fiscal year 2015 and annually thereafter, the commissioner of the department of revenue shall adjust the income ceiling, for each category of adjusted gross income as provided for in this clause, annually to reflect the projected change in the average value in the United States Department of Labor Bureau of Labor Statistics Consumer Price Index (all urban) for that year and report such change to any city or town who has accepted the provisions of this clause; provided, further, that there shall be deducted from the total amount received by the applicant under the federal social security or railroad retirement and from any annuity, pension, or retirement plan established for employees of the United States government, the government of the commonwealth, or the government of any city, town, county, or special district, included in such gross receipts, an amount equivalent to the minimum payment then payable under said federal social security law, as determined by the commissioner of revenue, to a retired worker sixty-eight years of age or over, if the applicant is unmarried, or to a retired worker and spouse, both of whom are sixty-eight years of age or over, if the applicant is married; and (C) that such person had a whole estate, real and personal, not in excess of $28,000, or if married, not in excess of $30,000, and provided, that real property occupied as his domicile shall, on a quarterly basis, not be included in computing the whole estate except for any portion of said property which produces income and exceeds 2 dwelling units. No such applicant shall be required to provide personal account information for any of the following: savings accounts, checking accounts, certificate of deposit accounts or annuity accounts. Applicants may annually provide proof of a retirement pension plan or social security benefits to receive the exemption of this clause. No city or town shall require any applicant or recipient to provide state or federal tax returns to determine eligibility pursuant to this clause. To show proof of date of birth of the applicant, a city or town shall require an applicant to provide the following: a driver's license or non-driver's identification card, a current or expired passport or a copy of Certificate of Naturalization. To provide proof of homeownership, an applicant may provide documentation of homeowners insurance with a receipt that such insurance was paid or documentation from the registry of deeds or land court registry district in which the land lies; provided, however, that no applicant shall be required to provide documents of a family trust. A city, by vote of its council and approval of its mayor, or a town, by vote of town meeting, may adjust the following factors contained in these provisions by: 1) reducing the requisite age of eligibility to any person age 65 years or older; 2) increasing either or both of the amounts contained in the first sentence of this clause, by not more than 100 per cent; 3) increasing the amounts contained in subclause (C) of said first sentence whenever they appear in said subclause from $28,000 dollars to not more than $40,000 and from $30,000 to not more than $55,000; and 4) by further excluding from the determination of whole estate up to 3 dwelling units.

In the case of real property owned by a person jointly or as a tenant in common with a person not his spouse, the amount of his exemption under this clause shall be that proportion of $4,000 valuation or the sum of $500, whichever would result in an exemption of the greater amount of taxes due, which the amount of his interest in such property bears to the whole tax due, provided: (A) that no exemption shall be granted to any joint tenant or tenant in common unless the gross receipts from all sources whatsoever of each joint tenant or tenant in common is less than $46,000 or, if married, the combined gross receipts from all sources whatsoever, of each joint tenant or tenant in common and his spouse is less than $55,000, provided, however, that in computing the gross receipts of an applicant under this clause ordinary business expenses and losses may be deducted, but not personal or family expenses; provided, further, that beginning in state fiscal year 2015 and annually thereafter, the commissioner of the department of revenue shall adjust the income ceiling annually to reflect the projected change in the average value in the United States Department of Labor Bureau of Labor Statistics Consumer Price Index (all urban) for that year and report such change to any city or town who has accepted the provisions of this clause; and provided, further, that there shall be deducted from the total amount received by the applicant under the federal social security or railroad retirement and from an annuity, pension, or retirement plan established for employees of the United States government, the government of the commonwealth, or the government of any city, town, county, or special district, included in such receipts, an amount equivalent to the minimum payment then payable under said federal social security law, as determined by the commissioner of revenue, to a retired worker sixty-eight years of age or over, if the applicant is unmarried, or to a retired worker and spouse, both of whom are sixty-eight years of age or over, if the applicant is married; and (B) that the combined whole estate, real and personal, of each joint tenant or tenant in common is less than $28,000 or, if married, the combined whole estate, real and personal of each joint tenant or tenant in common and his spouse does not exceed $30,000, provided that real property occupied as their domicile shall, on a quarterly basis, not be included in computing the whole estate except for any portion of said property which produces income and exceeds 2 dwelling units. No proportion of the exemption shall be denied to any applicant otherwise qualified for the reason that another joint tenant or tenant in common receives a proportion of the total exemption. Household furnishings and property already exempt under the clauses Twelfth, Twentieth, Thirty-first, and Thirty-fifth shall not be included in computing the whole estate for purposes of this section. Where a portion of the real property occupied as a domicile of an applicant under this clause is located within a municipality other than the municipality in which the applicant is domiciled, and where the value of said property, or the taxes, assessed by the municipality in which such applicant is domiciled would result in his receiving less than the maximum exemption provided by this clause, that part of the property of such applicant within such other municipality shall be exempt to a value, or to an amount of tax, sufficient to grant the applicant the total maximum exemption provided by the clause.

No applicant seeking an exemption under this clause shall be required to provide personal account information for any of the following: cash surrender value for a life insurance policy,

individual retirement accounts, savings accounts, checking accounts, certificate of deposit accounts or annuity accounts. Applicants may annually provide proof of a retirement pension plan or social security benefits to receive the exemption of this clause. No city or town shall require any applicant or recipient to provide state or federal tax returns or to report sales on stocks and bonds as part of income earnings, or a cash surrender value for a life insurance policy to determine eligibility pursuant to this clause. To show proof of date of birth of the applicant, a city or town shall require an applicant to provide the following: a driver's license or non-driver's identification card, a current or expired passport or a copy of Certificate of Naturalization. To provide proof of homeownership, an applicant may provide documentation of homeowners insurance with a receipt that such insurance was paid or documentation from the registry of deeds or registered in the registry district of the land court for the county or district in which the land lies; provided, however, that no applicant shall be required to provide documents of a family trust.

This clause shall take effect in any city or town upon its acceptance by such city or town for fiscal years commencing on or after July first, 1986, or for fiscal years commencing on or after such later July first as the city or town may elect. In those cities and towns which accept the provisions of this clause, the provisions of clause Forty-first and Forty-first B shall not be applicable; provided, however, that any amount of money annually appropriated by the commonwealth for the purpose of reimbursing cities and towns for taxes abated under this clause, clause Forty-first and clause Forty-first B shall be distributed as provided in said clause Forty-first.

SECTION 2. The income ceiling provided for in subclause (B) of the first sentence of clause Forty-first C of section 5 of chapter 59 of the General Laws, as amended by this act, shall take effect as of May 1, 2014.