

**HOUSE . . . . . No. 3323**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Kate Hogan*

*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 to establish estate tax valuation for farms.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kate Hogan</i>	<i>3rd Middlesex</i>	<i>1/20/2017</i>
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>	<i>1/23/2017</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>	<i>2/3/2017</i>
<i>Kathleen O'Connor Ives</i>	<i>First Essex</i>	<i>2/3/2017</i>
<i>Shawn Dooley</i>	<i>9th Norfolk</i>	<i>1/24/2017</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	<i>1/24/2017</i>
<i>Richard J. Ross</i>	<i>Norfolk, Bristol and Middlesex</i>	<i>1/24/2017</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	
<i>David F. DeCoste</i>	<i>5th Plymouth</i>	
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>	
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	
<i>Angelo L. D'Emilia</i>	<i>8th Plymouth</i>	
<i>Keiko M. Orrall</i>	<i>12th Bristol</i>	
<i>Smitty Pignatelli</i>	<i>4th Berkshire</i>	
<i>David K. Muradian, Jr.</i>	<i>9th Worcester</i>	
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	

<i>Ann-Margaret Ferrante</i>	<i>5th Essex</i>	
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>	
<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>	
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	
<i>Hannah Kane</i>	<i>11th Worcester</i>	
<i>Donald F. Humason, Jr.</i>	<i>Second Hampden and Hampshire</i>	
<i>Chris Walsh</i>	<i>6th Middlesex</i>	
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>	
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>	
<i>Christopher M. Markey</i>	<i>9th Bristol</i>	
<i>Harold P. Naughton, Jr.</i>	<i>12th Worcester</i>	
<i>Brian Murray</i>	<i>10th Worcester</i>	
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	

**HOUSE . . . . . No. 3323**

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By Ms. Hogan of Stow, a petition (accompanied by bill, House, No. 3323) of Kate Hogan and others for legislation to establish estate tax valuation for farms. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 3507 OF 2015-2016.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act to establish estate tax valuation for farms.

*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. Section 2 of chapter 62 of the General Laws, as appearing in the 2014  
2 Official Edition, is hereby amended by inserting at the end of paragraph (3) of subsection (b), in  
3 line 247, the following paragraph:-

4           For the purposes of this subsection, notwithstanding an election made under subsection  
5 (c) of section 5 of chapter 65C, the basis of real property valued as closely held agricultural land  
6 shall be the basis determined under paragraph (2) of said subsection (c) of chapter 65C.

7           SECTION 2. Section 1 of chapter 63 of the General Laws, as so appearing, is hereby  
8 amended by inserting, in line 204, at the end of the definition of “Net income”, the following  
9 paragraph:-

10 For the purposes of this subsection, notwithstanding an election made under subsection  
11 (c) of section 5 of chapter 65C, the basis of real property valued as closely held agricultural land  
12 shall be the basis determined under paragraph (2) of said subsection (c) of chapter 65C.

13 SECTION 3. Section 5 of chapter 65C of the General Laws, as so appearing, is hereby  
14 amended by striking out subsection (c) and inserting in place thereof the following 3  
15 subsections:-

16 (c)(1) If the gross estate of a decedent includes real property devoted to use as a farm for  
17 farming purposes, the estate may elect to either value such property in accordance with section  
18 2032A of the Code, in effect on January 1, 1985 or, if the gross estate of a decedent includes real  
19 property devoted to use for closely held agricultural land, the value of such land shall be valued  
20 pursuant to the valuation set by the farmland valuation advisory commission established pursuant  
21 to section 11 of chapter 61A for the fiscal year of the most recent growing season. If a federal  
22 return is required to be filed the election under this subsection shall be consistent with the  
23 election made for federal estate tax purposes. All the substantive and procedural provisions of  
24 said section 2032A shall, insofar as pertinent and consistent, apply to the election made under  
25 this subsection. The commissioner shall promulgate regulations to carry out the provisions of this  
26 subsection and subsections (d)-(e).

27 (2) For the purposes of determining Massachusetts gross income under section 2 of  
28 chapter 62 or net income under section 1 of chapter 63, the basis of real property valued as  
29 closely held agricultural land, notwithstanding an election made under this subsection, shall be  
30 determined as follows: if such property is sold for other use within a period of ten years from the  
31 date of acquisition, the basis shall be the valuation determined in paragraph (1); if such property

32 is sold for other use more than ten years from the date of acquisition, the basis shall be the full  
33 and fair value of such land under the valuation standard applicable to other land in the city or  
34 town when ownership was first transferred to the taxpayer.

35 (d) Land shall qualify for valuation as closely held agricultural land under subsection (c)  
36 of this section if it meets the definition of: forest land under chapter 61; land in agricultural or  
37 horticultural use under chapter 61A; recreational land under chapter 61B that is also used for  
38 farming or agriculture, as defined in section 1A of chapter 128; provided that the land need not  
39 be classified by municipal assessors as forest land under chapter 61, land in agricultural or  
40 horticultural use under chapter 61A or recreational land under chapter 61B to qualify for  
41 valuation as closely held agricultural land under said subsection (c) if it otherwise meets the  
42 applicable definitions.

43 (e)When land valued as closely held agricultural land under said subsection (c) no longer  
44 meets the definition of forest land under chapter 61, land in agricultural or horticultural use under  
45 chapter 61A, recreational land under chapter 61B that is used for farming or agriculture as  
46 defined in section 1A of chapter 128, the land shall be subject to a roll-back tax in the current tax  
47 year in which it is disqualified, which shall equal the amount that would have been due, with  
48 respect to such land, under this chapter at the time of acquisition calculated using the full and fair  
49 value of the land under the valuation standard applicable to other land in the city or town, minus  
50 the amount which was due and payable as a result of an election made under subsection (c) at the  
51 time of acquisition.