

# **HOUSE . . . . . No. 4001**

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## **The Commonwealth of Massachusetts**

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HOUSE OF REPRESENTATIVES, November 6, 2017.

The committee on Revenue to whom were referred the petition (accompanied by bill, Senate, No. 1506) of Julian Cyr, Carmine L. Gentile and Dylan Fernandes for legislation relative to the establishment of a means tested senior citizen property tax exemption, the petition (accompanied by bill, House, No. 1524) of Carmine L. Gentile and others relative to the establishment of a means tested senior citizen property tax exemption, the petition (accompanied by bill, House, No. 1644) of Donald H. Wong relative to tax exemptions of certain class one parcels of property and the petition (accompanied by bill, House, No. 2610) of Bradley H. Jones, Jr. and others relative to establishing local option means-tested senior property tax exemptions, reports recommending that the accompanying bill (House, No. 4001) ought to pass.

For the committee,

JAY R. KAUFMAN

**HOUSE . . . . . No. 4001**

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**The Commonwealth of Massachusetts**

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

An Act relative to the establishment of a means tested senior citizen property 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 Chapter 59 of the General Laws, as appearing in the 2016 Official Edition, is hereby  
2 amended by inserting after section 5N the following section:-

3 Section 5O. (a) As used in this section, the following words shall have the following  
4 meanings:--

5 “Parcel”, a unit of real property as defined by the assessors of the city or town under the  
6 deed for the property, including a condominium unit.

7 “Income”, taxpayer’s total income for the purposes of the circuit breaker income tax  
8 credit, as defined in paragraph (1) of subsection (k) of section 6 of chapter 62.

9 (b) In any city or town that accepts the provisions of this section, with respect to each  
10 qualifying parcel of real property classified as Class one, residential there shall be an exemption  
11 from the property tax equal to the total amount of tax that would otherwise be assessed without  
12 this exemption less the sum of: (i) 10 per cent of income, or such other percentage of income as

13 determined under subsection (d); and (ii) the circuit breaker income tax credit under subsection  
14 (k) of section 6 of chapter 62 the applicant was eligible to receive in the year prior to the  
15 application being filed. In no event shall property taxes be reduced by more than 50 per cent by  
16 this exemption.

17 (c) The board of assessors may deny an application for an exemption pursuant to this  
18 section if they find the applicant has excessive assets that place them outside of the intended  
19 recipients of the senior exemption created by this section. Real property shall qualify for the  
20 exemption under subsection (b) if all of the following criteria are met:

21 (1) the real property is owned and occupied by a person whose prior year's income did  
22 not exceed the income limit established in clause (i) of paragraph (3) of subsection (k) of section  
23 6 of chapter 62 and adjusted pursuant to paragraph (4) of subsection (k) of section 6 of chapter  
24 62 for the prior year, whichever such income limit applies to the individual's filing status;

25 (2) the real property is owned by a single applicant age 65 or older at the close of the  
26 previous year or jointly by persons either of whom is age 65 or above at the close of the previous  
27 year and if the joint applicant is 60 years of age or older;

28 (3) the real property is owned and occupied by the applicant or joint applicants as their  
29 domicile;

30 (4) the applicant or at least 1 of the joint applicants has been domiciled in the city or town  
31 for at least 10 consecutive years before filing an application for the exemption;

32 (5) the maximum assessed value of the domicile does not exceed (i) the prior year's  
33 average assessed value of a single family residence for the city or town plus 10 per cent; and (ii)

34 the valuation limit established in clause (ii) of paragraph (3) of subsection (k) of section 6 of  
35 chapter 62 and adjusted pursuant to paragraph (4) of said subsection (k) of said section 6 of said  
36 chapter 62 for the prior year; and

37 (6) the board of assessors has approved the application.

38 (d) The exemption under subsection (b) shall be in addition to any other exemption  
39 allowable under the General Laws; provided, however that there shall be a dollar cap on all the  
40 exemptions granted pursuant to this section equal to .5 per cent of the fiscal year's total  
41 residential property tax levy for the city or town, including the levy for any regional high school  
42 if not included in the city's or town's tax levy at some subsequent date with the total exemption  
43 amount granted by this section allocated proportionally within the tax levy on all residential  
44 taxpayers. After the first year of such exemption, the total cap on the exemptions granted  
45 pursuant to this section shall be set annually by the board of selectmen, in the case of a town, the  
46 city manager, in the case of a city under a Plan E form of government, or the city council, in the  
47 case of all other cities, within a range of .5 to 1 per cent of the residential property tax levy for  
48 the city or town, including the levy for any regional high school. In the event that benefits to the  
49 applicants may be limited because the percentage established annually by the selectmen, city  
50 manager or city council would otherwise be exceeded, the benefits shall be allocated by raising  
51 the income percentage as required in subsection (b) as necessary to not exceed the cap. In the  
52 event the cap exceeds the need for the exemption, the total cap on the exemptions granted by this  
53 section shall be reduced to meet the need.

54 (e) A person who seeks to qualify for the exemption under subsection (b) shall, before the  
55 deadline established by the board of assessors, file an application, on a form to be adopted by the

56 board of assessors, with the supporting documentation of the applicant's income and assets as  
57 described in the application. The application shall be filed each year for which the applicant  
58 seeks the exemption.

59 (f) No exemption shall be granted under this section until the department of revenue  
60 certifies a residential tax rate for the applicable tax year where the total exemption amount is  
61 raised by a burden shift within the residential tax levy.

62 (g) The exemption under this section shall expire every three years after its acceptance or  
63 re-acceptance; provided, however, that a city or town which has accepted this section may re-  
64 accept this section for additional 3-year intervals by a vote of the legislative body of said city or  
65 town.