

HOUSE No. 4949

The Commonwealth of Massachusetts

PRESENTED BY:

Jennifer E. Benson

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 authorizing the town of Harvard to establish a cap on property taxes for means tested senior citizens.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	<i>10/24/2018</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>10/25/2018</i>

HOUSE No. 4949

By Ms. Benson of Lunenburg, a petition (accompanied by bill, House, No. 4949) of Jennifer E. Benson and James B. Eldridge (by vote of the town) that the town of Harvard be authorized to establish a cap on property taxes for means tested senior citizens. Revenue. [Local Approval Received.]

The Commonwealth of Massachusetts

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

An Act authorizing the town of Harvard to establish a cap on property taxes for means tested senior citizens.

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. With respect to each qualifying parcel of real property classified residential
2 in the town of Harvard there shall be a cap on property taxes equal to 10 percent of the total
3 annual household income, except that if the cap described in Section 3 is exceeded by a higher
4 percentage and except that in no event shall property taxes be reduced by more than 50 percent
5 of the tax due, including all tax abatements and exemptions, but excluding state circuit breakers.
6 The exception shall be applied only to the principal residence of a taxpayer as used by the
7 taxpayer for income tax purposes.

8 SECTION 2. The Elderly and Disabled Tax Committee may deny an application if they
9 find the applicant has excessive assets, after reviewing the applicant’s statement of assets, that
10 place them outside of the intended recipients of the senior exemption created by this act. Real
11 property shall qualify for the exemption set forth in section 1 if all the following criteria are met,

12 the intent of this act is to follow Massachusetts Senior Circuit Breaker Income Tax Credit in
13 order to qualify along with some town specific criteria:

14 (a) the qualifying real estate is owned and occupied by a person or family where the total
15 annual household income shall not exceed the following: single applicant \$57,000, single head of
16 household applicant \$71,000, married filing jointly \$86,000; Qualifying incomes will be adjusted
17 annually to reflect the cost of living adjustments (COLA) published by the Department of
18 Revenue. No credit is allowed for a married taxpayer unless a joint return is filed.

19 (b) the qualifying real estate is owned by a single applicant having reached age 65 at the
20 close of the previous tax year or if a joint application the real estate is owned by the joint
21 applicants at least one of said joint applicants must have reached age 65 and the other reached
22 age 60 at the close of the previous tax year.

23 (c) the qualifying real estate is owned and occupied by the applicant or joint applicants at
24 least 6 months plus 1 day each year.

25 (d) the applicant or at least one of the joint applicants has resided in the town of Harvard
26 for at least the last 10 consecutive years before filing an application for the exemption; and

27 (e) the maximum assessed value of the applicant's or joint applicant's primary residence
28 matches the state's Circuit Breaker value.

29 (f) the Harvard Elderly and Disabled Tax Committee has approved the application.

30 SECTION 3. The exemption provided for this act shall be in addition to any other
31 exemptions allowable under the General Laws, except that there shall be a dollar cap total tax
32 levy for Harvard. After the first year of enactment, the total cap on the exemptions granted by

33 this act shall be set annually by the Board of Selectmen within a range of .5 percent and 1
34 percent of the previous fiscal year's total tax levy for Harvard. Exemptions under this statute will
35 be funded and dispersed through the assessors' overlay account in the same manner as
36 exemptions granted under M.G.L 59, Section 5, Clauses 17 and 41.

37 SECTION 4. A person who seeks to qualify for this exemption shall file with the Harvard
38 Elderly and Disabled Tax Committee an application for abatement on a form to be adopted by
39 the Committee. This form will be made available in Town Hall with the supporting
40 documentation as described in the application. The application shall be filed by January 31 of
41 each year for which the application seeks the exemption for the fiscal year commencing the
42 following July 1, except for the first year following the adoption. The application must be
43 accompanied by the previous year Massachusetts tax return with Schedule CB attached, the
44 Circuit Breaker Credit form.

45 The Harvard Elderly and Disabled Taxation Aid Committee shall set the deadline in a
46 manner that provides at least 60 days in which to apply for the fiscal year that begins following
47 the act becoming effective.

48 SECTION 5. For the purposes of this act, "parcel" shall be a dwelling unit as defined by
49 the Harvard Board of Assessors in accordance with the deed for the property, and shall include a
50 condominium unit.

51 SECTION 6. For the purpose of the exemption, "total annual household income" shall be
52 the sum of the applicant's or joint applicant's "total taxable 5.15 percent income" or current
53 percentage on Massachusetts Form 1 and those same incomes for other income-producing
54 members of the household.

55 The income shall be increased by amounts that may have been excluded or subtracted
56 from calculations, such as income from Social Security benefits, cash public assistance, tax-
57 exempted interest and dividends, capital gains, income from a partnership or trust, returns on
58 capital reported on Schedule C, and excluded from any other source.

59 SECTION 7. An exemption shall not be granted under this act until the Massachusetts
60 Department of Revenue certifies a residential tax rate for the applicable tax year where the total
61 exemption amount is raised by a burden shift within the residential tax levy.

62 SECTION 8. Acceptance of this act by the town of Harvard shall be by an affirmative
63 vote of a Special or Annual Town Meeting upon a 2/3 majority vote. Acceptance of this act by
64 the town of Harvard shall be after Home Rule passage by the Massachusetts State Government
65 and then by an affirmative vote of the majority of the voters at any regular or special election at
66 which the question of acceptance was placed on the ballot. This act shall become effective 30
67 days after the affirmative vote.

68 SECTION 9. Acceptance of this act by the town of Harvard shall automatically expire
69 after three years unless reaffirmed by the affirmative vote of a majority if the voters at a Town
70 election. Once reaffirmed, it shall take an affirmed vote by two-thirds of the voters at a regular or
71 special election at which the question of revocation has been placed on the ballot by a majority
72 vote of then sitting members of the Board of Selectmen for this act to be revoked.

73 SECTION 10. The selectmen and/or the Harvard Elderly and Disabled Tax Committee
74 may make technical and procedural changes, if they decide such changes will: (1) make the
75 administration of the act more efficient, or (2) make it easier to comply with the regulations of

76 the Massachusetts Department of Revenue. Such changes shall not require further approval of by
77 the Legislature.