

HOUSE No. 2969

The Commonwealth of Massachusetts

PRESENTED BY:

Andres X. Vargas

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 a local option incentivizing landlords to rent unsubsidized properties at below market rent (good landlord tax credit).

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>1/19/2023</i>
<i>Patrick M. O'Connor</i>	<i>First Plymouth and Norfolk</i>	<i>2/13/2023</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>	<i>4/28/2023</i>

HOUSE No. 2969

By Representative Vargas of Haverhill, a petition (accompanied by bill, House, No. 2969) of Andres X. Vargas and Patrick M. O'Connor relative to providing for a local option tax credit for certain landlords. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act providing a local option incentivizing landlords to rent unsubsidized properties at below market rent (good landlord tax credit).

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 6 of chapter 62 of the General Laws, as most recently amended by
2 chapter 179 of the acts of 2022, is hereby further amended by inserting after subsection (bb) the
3 following subsection:-

4 (cc)(1) As used in this subsection, the following words shall have the following meanings
5 unless the context clearly requires otherwise:

6 “Qualified residential rental property”, any unsubsidized 2- to 4-unit residential rental
7 property.

8 “Qualified rental unit”, a tenant-occupied unit in a qualified residential rental property
9 with rent, including utilities, that does not exceed the maximum HOME rent limits for the
10 participating jurisdiction as defined by the United States Department of Housing and Urban

11 Development; provided, however, that “qualified rental unit” shall not include a unit rented to
12 immediate family members or dependents of the owner.

13 “Qualified tenants”, low-income persons of protected classes in accordance with section
14 4 of chapter 151B, seniors and families with small children.

15 “Seniors”, Persons who are 65 years of age or older.

16 (2) Any resident who is an owner of a qualified residential rental property located in the
17 commonwealth who is not a dependent of another taxpayer shall be allowed a credit for the
18 difference between the maximum HOME rent limit for the participating jurisdiction as defined
19 by the United States Department of Housing and Urban Development and the amount charged in
20 rent; provided, however, that the credit shall not to exceed \$2,000 for each qualified rental unit;
21 and provided further, that the resident shall not be allowed the credit under this subsection for
22 more than 6 qualified rental units. The credit shall be prorated by the number of months the
23 qualified rental unit is rented to a qualified tenant; provided, however, that joint owners of a
24 qualified residential rental property shall share any credit available to the property under this
25 subsection in the same proportion as their ownership interest.

26 Any taxpayer entitled to this credit for any taxable year, the amount of which exceeds the
27 taxpayer’s total tax due for the current taxable year, may carry over the excess amount, as
28 reduced from year to year, and apply the excess amount to the taxpayer’s tax liability for any 1
29 or more of the next succeeding 3 taxable years; provided, however, that in no taxable year may
30 the amount of the credit allowed exceed the total tax due of the taxpayer for the relevant taxable
31 year.

32 The exemption provided for in this subsection shall be in addition to any other
33 exemptions allowed by law.

34 The commissioner shall promulgate regulations necessary for the administration of this
35 subsection.

36 SECTION 2. A city or town, by vote of its town meeting, town council or city council,
37 with the approval of the mayor, where required by law, may exempt a qualified residential rental
38 property from property taxation. The amount of the exemption shall be determined by the
39 municipality but shall not exceed an amount equal to the tax otherwise owed on the property
40 based on the assessed value of the property. Further, such exemption is limited to a percentage,
41 as determined by the city or town, of the difference between the maximum HOME rent limit for
42 the participating jurisdiction as defined by the United States Department of Housing and Urban
43 Development and the pro rata amount of rent per unit.

44 Nothing in this act shall limit the authority of a city or town to provide additional relief
45 from local property taxes to incentivize renting residential units to low-income families with
46 children and seniors.

47 The owner of a dwelling qualifying for exemption under this section shall submit to the
48 municipality or its agent documentation, including but not limited to a signed lease, necessary to
49 confirm the eligibility of the rental.

50 SECTION 3. This act shall be effective for tax years beginning on or after January 1,
51 2023.