

SENATE No. 1922

The Commonwealth of Massachusetts

PRESENTED BY:

Jacob R. Oliveira

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 ease the tax burden on older adults, people with disabilities and their caregivers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	
<i>Carol A. Doherty</i>	<i>3rd Bristol</i>	
<i>Patrick M. O'Connor</i>	<i>First Plymouth and Norfolk</i>	<i>2/13/2023</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>3/6/2023</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>3/6/2023</i>

SENATE No. 1922

By Mr. Oliveira, a petition (accompanied by bill, Senate, No. 1922) of Jacob R. Oliveira, Carol A. Doherty, Patrick M. O'Connor, Paul R. Feeney and others for legislation to ease the tax burden on older adults, people with disabilities and their caregivers. Revenue.

The Commonwealth of Massachusetts

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

An Act to ease the tax burden on older adults, people with disabilities and their caregivers.

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

- 1 Means-Tested Property Tax Relief for Older Adults
- 2 SECTION 1. Chapter 59 of the General Laws, as appearing in the 2016 Official Edition,
- 3 is hereby amended by inserting after section 5N the following section:-
- 4 Section 5O. (a) As used in this section, the following words shall have the following
- 5 meanings:--
- 6 “Parcel”, a unit of real property as defined by the assessors of the city or town under the
- 7 deed for the property, including a condominium unit.
- 8 “Income”, taxpayer’s total income for the purposes of the circuit breaker income tax
- 9 credit, as defined in paragraph (1) of subsection (k) of section 6 of chapter 62.
- 10 (b) In any city or town that accepts the provisions of this section, with respect to each
- 11 qualifying parcel of real property classified as Class one, residential there shall be an exemption

12 from the property tax equal to the total amount of tax that would otherwise be assessed without
13 this exemption less the sum of: (i) 10 per cent of income, or such other percentage of income as
14 determined under subsection (d); and (ii) the circuit breaker income tax credit under subsection
15 (k) of section 6 of chapter 62 the applicant was eligible to receive in the year prior to the
16 application being filed. In no event shall property taxes be reduced by more than 50 per cent by
17 this exemption.

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

22 Senior Citizen Circuit Breaker Tax Credit

23 (1) the real property is owned and occupied by a person whose prior year's income did
24 not exceed the income limit established in clause (i) of paragraph (3) of subsection (k) of section
25 6 of chapter 62 and adjusted pursuant to paragraph (4) of subsection (k) of section 6 of chapter
26 62 for the prior year, whichever such income limit applies to the individual's filing status;

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

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

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

34 (5) the maximum assessed value of the domicile does not exceed (i) the prior year's
35 average assessed value of a single-family residence for the city or town plus 10 per cent; and (ii)
36 the valuation limit established in clause (ii) of paragraph (3) of subsection (k) of section 6 of
37 chapter 62 and adjusted pursuant to paragraph (4) of said subsection (k) of said section 6 of said
38 chapter 62 for the prior year; and

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

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

54 event the cap exceeds the need for the exemption, the total cap on the exemptions granted by this
55 section shall be reduced to meet the need.

56 (e) A person who seeks to qualify for the exemption under subsection (b) shall, before the
57 deadline established by the board of assessors, file an application, on a form to be adopted by the
58 board of assessors, with the supporting documentation of the applicant's income and assets as
59 described in the application. The application shall be filed each year for which the applicant
60 seeks the exemption.

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

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

68 Promotion of Disability Employment Tax Credit.

69 SECTION 2. The executive office of health and human services, in coordination with the
70 Massachusetts rehabilitation commission, established pursuant to section 76 of chapter 6 of the
71 General Laws, shall publicly promote the disability employment tax credit pursuant to 101 CMR
72 28 to provide information to employers in the Commonwealth. The executive office, in
73 coordination with the Massachusetts rehabilitation commission, shall report all efforts related to
74 the public promotion of the disability employment tax credit to the joint committee on labor and
75 workforce development not later than December 31, 2023.

76 SECTION 3. Subparagraph (9) of paragraph (a) of part B of section 3 of chapter 62 of the
77 General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out, in
78 line 109, the figure “3,000” and inserting in place thereof the following figure:- 5,000.

79 SECTION 4. Paragraph (1) of subsection (a) of section 5 of said chapter 62, as so
80 appearing, is hereby amended by striking out, in line 6, the words “eight thousand dollars” and
81 inserting in place thereof the following figure:- \$12,550.

82 SECTION 5. Said subsection (a) of said section 5 of said chapter 62, as so appearing, is
83 hereby amended by striking out paragraph (2) and inserting in place thereof the following 2
84 paragraphs:-

85 (2) in the case of a husband and wife filing a joint return, \$25,100, or

86 (3) in the case of a person filing as head of household, \$18,800.

87 SECTION 6. Paragraph (2) of subsection (k) of section 6 of said chapter 62, as so
88 appearing, is hereby amended by striking out, in line 447, the figure “750” and inserting in place
89 thereof the following figure:- 1,755.

90 SECTION 7. Subsection (x) of said section 6 of said chapter 62, as most recently
91 amended by section 31 of chapter 102 of the acts of 2021, is hereby further amended by striking
92 out the figure “240” and inserting in place thereof the following figure:- 480.

93 SECTION 8. Said subsection (x) of said section 6 of said chapter 62, as so amended, is
94 hereby further amended by striking out the figure “480” and inserting in place thereof the
95 following figure:- 960.

96 SECTION 9. Subsection (y) of said section 6 of said chapter 62, as most recently
97 amended by section 33 of said chapter 102, is hereby further amended by striking out the figure
98 “180” and inserting in place thereof the following figure:- 360.

99 SECTION 10. Said subsection (y) of said section 6 of said chapter 62, as so amended, is
100 hereby further amended by striking out the figure “360” and inserting in place thereof the
101 following figure:- 720.

102 SECTION 11. Subsection (a) of section 6 of chapter 62C of the General Laws, as
103 appearing in the 2020 Official Edition, is hereby amended by striking out, each time it appears,
104 in line 4, lines 6 to 7 and line 17, the words “eight thousand dollars” and inserting in place
105 thereof, in each instance, the following words:- the thresholds specified in subsection (a) of
106 section five of chapter sixty-two.

107 SECTION 12. Section 2A of chapter 65C of the General Laws, as so appearing, is hereby
108 amended by striking out subsection (a) and inserting in place the following subsection:-

109 (a) A tax is hereby imposed upon the transfer of the estate of each person dying on or
110 after January 1, 1997 who, at the time of death, was a resident of the Commonwealth. The
111 amount of the tax shall be equal to the credit for state death taxes that would have been allowable
112 to a decedent’s estate as computed under Code section 2011, as in effect on December 31, 2000,
113 hereinafter referred to as the “credit”. In the event that the federal gross estate of a person
114 includes real or tangible personal property located outside of Massachusetts at the time of death,
115 the tax shall be reduced by an amount equal to the proportion of such allowable credit as the
116 value of said real or tangible personal property located outside of Massachusetts bears to the

117 value of the entire federal gross estate wherever situated, as determined under Code section
118 2011, as in effect on December 31, 2000.

119 SECTION 13. Said section 2A of said chapter 65C, as so appearing, is hereby further
120 amended by adding the following subsection:-

121 (f) Effective for the estates of decedents dying on or after July 1, 2022, for purposes of
122 computing the tax imposed by subsections (a) and (b), the credit shall be determined based on
123 the value of the federal taxable estate after such estate is reduced by \$2,000,000. Estates of
124 decedents dying on or after July 1, 2022 are not required to pay any tax under subsections (a) and
125 (b) if the value of the federal taxable estate is \$2,000,000 or less. For purposes of this subsection,
126 the federal taxable estate is the federal gross estate less any Qualified Conservation Exclusion
127 elected under Code section 2031(c), as in effect on December 31, 2000, and further reduced by
128 the deductions allowable by the Code, as in effect on December 31, 2000.

129 Family Caregiver Tax Credit

130 SECTION 14. Section 6 of chapter 62 of the General Laws, as appearing in the 2018
131 Official Edition, is hereby amended by inserting after subsection (v) the following new
132 subsection:-

133 (w)(1) As used in this subsection, the following words shall have the following meanings
134 unless the context clearly requires otherwise:

135 "Activities of daily living", Everyday functions and activities, which individuals usually
136 do without help including, but not limited to, bathing, continence, dressing, eating, toileting and
137 transferring.

138 "Eligible family member", an individual who (1) is at least eighteen years of age during a
139 taxable year, (2) requires assistance with at least one activity of daily living, and (3) qualifies as
140 a dependent, spouse, parent or other relation by blood or marriage, including an in-law,
141 grandparent, grandchild, step-parent, aunt, uncle, niece, or nephew of the family caregiver.

142 "Evaluation year", the year in which an evaluation of the tax credit is to be complete. The
143 evaluation year shall be every 5 years after the effective date of this subsection.

144 "Family Caregiver", an individual who is a resident taxpayer for the taxable year and had
145 eligible expenditures, as described in paragraph (3) of this subsection, with respect to 1 or more
146 eligible family members during the taxable year. In the case of a joint return, the term includes
147 the individual and the individual's spouse. The family caregiver claiming the credit must have a
148 Massachusetts adjusted gross income of less than \$75,000 for an individual and \$150,000 for a
149 couple and incur uncompensated expenses directly related to the care of an eligible care
150 recipient.

151 (2) A taxpayer who is a family caregiver is eligible to receive for a taxable year is equal
152 to a refundable credit against the taxes imposed by this chapter. The credit shall be equal to 100
153 per cent of the eligible expenditures incurred by the taxpayer during the taxable year, with a
154 maximum allowable credit of \$1,500.

155 (3) Expenditures eligible to be claimed for the tax credit include the costs associated
156 with:

157 (i) the improvement or alteration to the family caregiver's primary residence to permit
158 eligible family member to remain mobile, safe, and independent;

159 (ii) the purchase or lease of equipment that is necessary to assist an eligible family
160 member in carrying out one or more activities of daily living; and

161 (iii) other goods, services, or supports that assist the family caregiver in providing care to
162 an eligible family member, such as expenditures related to hiring a home care aide or personal
163 care attendant, respite care, adult day health, transportation, legal and financial services and
164 assistive technology.

165 (4) No taxpayer shall be entitled to claim a tax credit under this subsection for the same
166 eligible expenditures claimed by another taxpayer. The total amount of tax credits claimed by
167 family caregivers shall not exceed \$1,500 for the same eligible family member. If two or more
168 family caregivers claim tax credits for the same eligible family member, the total of which
169 exceeds \$1,500, the total amount of the credit allowed shall be allocated in amounts
170 proportionate to each eligible taxpayer's share of the total amount of the eligible expenditures for
171 the eligible family member.

172 (5) A taxpayer may not claim a tax credit under this section for expenses incurred in
173 carrying out general household maintenance activities, including painting, plumbing, electrical
174 repairs or exterior maintenance, and must be directly related to assisting the family caregiver in
175 providing care to an eligible family member.

176 (6) The commissioner of the department of revenue shall promulgate rules and
177 regulations relative to the administration and enforcement of this subsection.

178 (7) The commissioner shall annually, not later than September 1, file a report with the
179 house and senate committees on ways and means, the chairs of the joint committee on revenue
180 and the chairs of the joint committee on elder affairs identifying, by community, the total amount

181 of tax credits claimed and the total number of tax filers who received the tax credit for the
182 preceding fiscal year.

183 (8) On or before May 31 of the year before the evaluation year, there shall be established
184 a committee entitled the Caregiver Tax Credit Evaluation Committee to conduct a review of the
185 tax credit.

186 The committee shall be comprised of 7 members: 2 of whom shall be appointed by the
187 secretary of the executive office of health and human services; 2 of whom shall be appointed by
188 the secretary of the executive office of elder affairs; 1 of whom shall be appointed by the
189 secretary of the executive office for administration and finance; 1 of whom shall be appointed by
190 the president of the senate; and 1 of whom shall be appointed by the speaker of the house of
191 representatives.

192 The committee shall: (1) examine the purpose for which the tax credit was established;
193 (2) determine whether the original intent of the tax credit is still appropriate; (3) examine
194 whether the tax credit is meeting its objectives; (4) examine whether the purposes of the tax
195 credit could be more efficiently and effectively carried out through alternative methods; and (5)
196 calculate the costs of providing the tax credit, including the administrative cost and lost revenues
197 to the Commonwealth.

198 The committee shall file a report of its findings with the senate and house clerks and with
199 the governor, which shall include a recommendation as to whether the tax credit should be
200 continued, with or without changes, or be terminated. The report shall be accompanied by any
201 legislation that is needed to accomplish the recommendations of the report. The report shall be
202 filed no later than December 31 of the evaluation year.

203 Effective Dates

204 SECTION 15. Sections 10 and 11 shall take effect for the estates of decedents dying on

205 or after July 1, 2024.

206 SECTION 16. Except as otherwise specified, this act shall take effect for taxable years

207 beginning on or after January 1, 2024.