

COMMITTEE ON REVENUE ~ HOUSE BILL SUMMARY

Bill Number: S.2046 (Similar to H.3069 and S.2073)

Name: AN ACT GRANTING PROPERTY TAX EXEMPTION TO DISABLED VETERANS

Sponsor(s): Sen. Michael O. Moore (Shrewsbury)

Hearing Date: June 24, 2025

Reporting Date: August 23, 2025

Prior History: 2023-24 (S.1882): Accompanied H.4162; Reported favorably; Referred to House Ways and Means
2021-22 (S.1934): Ordered to a House Study

CURRENT LAW:

M.G.L. c. 59 § 5 – Property tax exemptions: Real and personal property is taxed by the municipality where it is located based on its fair cash value. However, certain items of property or portions thereof are exempted from taxation for residents meeting certain criteria, including age, income, disability and/or veteran status.

Clause 22^a – Soldiers and sailors exemptions: Taxpayers may apply for an exemption of \$2,000 of assessed taxable valuation or an abatement of \$400, whichever results in greater reduction of taxes due, subject to the following initial/threshold criteria:

- Veterans (last discharge must not have been dishonorable)
- Domiciled in Massachusetts for at least 6 months prior to entering military service or resided in the Commonwealth for 5 consecutive years next prior to date of filing for this exemption
- Real estate must be occupied in whole or in part as domicile

Clauses 22^a-A through 22^a-F all provide exemptions/abatements for soldiers and sailors and their spouses meeting certain criteria in addition to the base criteria required above, but with increasing exemption/abatement amounts as follows:

Clause	Additional Criteria	Exemption/Abatement Amount
22 ^a -A	Veterans (or spouses) who lost a foot, hand, or eye (or sight therein) OR who were awarded the congressional medal of honor, the distinguished service cross, the navy cross or the air force cross	\$4,000 of assessed taxable valuation or \$750, whichever results in greater reduction of taxes due
22 ^a -B	Veterans (or spouses) who lost permanent use of both feet, both hands, one foot and one hand, or sight in both eyes	\$8,000 of assessed taxable valuation or \$1,250, whichever results in greater reduction of taxes due
22 ^a -C	Veterans (or spouses) who suffered in the line of duty total disability and has specially adapted housing	\$10,000 of assessed taxable valuation or \$1,500, whichever results in greater reduction of taxes due

22 ^a D	Surviving spouses of service member who suffered a service-related injury or illness, on active duty, which was the proximate cause of death or who is missing in action with a presumptive finding of death as a result of active duty service	Full amount of taxable valuation of real property
22 ^a E	Veterans (or spouses) who suffered in the line of duty total disability and are incapable of working	\$6,000 of assessed taxable valuation or \$1,000, whichever results in greater reduction of taxes due
22 ^a F	Veterans (or spouses) who are certified by the VA as paraplegic	Full amount of taxable valuation of real property

These clauses also include requirements that a portion of the cost of the exemption be borne by the municipality and the rest shall be reimbursed by the commonwealth.

M.G.L. c. 62 § 6(k) – Senior circuit breaker: Certain taxpayers age 65 or older may claim a refundable credit on their state income taxes for local real estate taxes paid on residential property owned and used as their principal residence or for rent paid for Massachusetts property that is used as their principal residence. A credit is a dollar-for-dollar reduction in taxes owed, and a refundable credit pays the tax filer cash for the amount by which the credit exceeds the taxes owed. The credit is not to exceed \$750, and shall only be available if: (i) the taxpayer's total income does not exceed \$40,000 for a single individual who is not the head of a household, \$50,000 for a head of household, and \$60,000 for a husband and wife filing a joint return; and (ii) the assessed valuation of the residence does not exceed \$600,000.

The maximum credit amount for tax year 2024 is \$2,590. The amounts are subject to an annual cost-of-living adjustment, and to claim the credit for tax year 2024, the tax filer's total income: (i) cannot exceed \$72,000 for a single individual who is not the head of a household, \$91,000 for a head of household, or \$109,000 for married taxpayers filing jointly; and (ii) the assessed value of the tax filer's principal residence as of January 1, 2024 before residential exemptions but after abatements, cannot exceed \$1,172,000. The maximum credit a taxpayer could claim is \$2,730.

Calculation of Benefit (Credit Amount):

- Taxes paid = (total property taxes) + (50% of water and sewer charges, if not included in tax bill).⁴⁴
- Credit = (taxes paid) – (10% total income for the taxable year)

No credit is allowed if one of the following applies⁴⁵:

- Taxpayer is married, filing separate.
- Taxpayer receives a federal or state rent subsidy.
- Taxpayer rents from a landlord who is not required to pay real estate taxes.
- Taxpayer is the dependent of another taxpayer.

PROPOSED CHANGE(S):

This legislation would add a new property tax exemption for veterans meeting the following criteria:

- 65 years or older and their spouses;
- Who are injured partially in the line of duty or a disability rating of 100%, to the amount of the percentage equal to the percentage of the veteran's permanent, service-connected disability;
- Resident of MA;
- Domiciled in MA 6 months prior to entering the service or residing in MA 12 consecutive months prior to filing for the exemption;

- The real estate is occupied as the veteran's domicile;
- If the property is greater than a single-family house, then only that value of so much of the house as is occupied by the person as the person's domicile shall be exempted; and
- The exemption shall continue unchanged for the benefit of the surviving spouse after the death of the disabled veteran as long as the surviving spouse of the qualified veteran shall remain an owner and occupant of a domicile subject to the exemption.

The amount of the exemption shall be borne by the commonwealth, and the state treasurer shall annually reimburse the city or town for the amount of the tax which otherwise would have been collected for this exemption.