

## COMMITTEE ON REVENUE ~ HOUSE BILL SUMMARY

**Bill Number:** S.2096 (Similar to H.3105 & S.2036)

**Name:** AN ACT RELATIVE TO THE ESTABLISHMENT OF A MEANS TESTED SENIOR CITIZEN PROPERTY TAX EXEMPTION

**Sponsor(s):** Sen. John C. Velis (Westfield)  
Prior Session: Sen. Susan L. Moran (Plymouth and Barnstable)

**Hearing Date:** June 16, 2025

**Reporting Date:** August 15, 2025

**Prior History:** 2023-24 (S.1894): Reported favorably; Referred to Senate Rules Committee

### CURRENT LAW:

*M.G.L. c. 59 – Property tax:* All property, real and personal, situated within the Commonwealth is subject to local tax, unless expressly exempt.

*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 example, residents meeting certain criteria, including age, income, disability and/or veteran status are able to obtain complete or partial property tax exemptions. Certain property may be exempt due to the purpose it serves, such as providing renewable energy.

*M.G.L. c. 59 § 38 – Fair cash valuation; classification of assessed valuation; taxable valuation:* Assessors must assess real property at its full and fair cash value.

*M.G.L. c. 59 § 5, cl. Forty-first – Senior property tax personal exemption (local option alternative):* Seniors who are at least 70 years old, meet certain ownership requirements and domiciliary requirements and whose annual gross receipts and whole estate are within certain limits may be eligible for a \$500 exemption under Clause 41 or alternative clauses under local options, 41B or 41C. These local options allow a municipality to adopt a lower qualifying age, a larger exemption amount, and higher gross receipts and whole estate limits. Clause 41 only applies if one of the local options is not adopted.

*M.G.L. c. 62 § 6(k) – Senior circuit breaker:* Certain taxpayers age 65 or older may be eligible to claim a refundable credit on their Massachusetts personal income tax return on the actual real estate taxes or rent paid on the Massachusetts residential property owned, rented or occupied and used as their principal residence. If the senior is a homeowner, the credit is “triggered” when property payments together with half of water and sewer expenses exceed 10% of the senior total Massachusetts income for the tax year. If the senior is a renter, 25% of their annual rent must exceed 10% of total Massachusetts income for the tax year. The credit is a dollar-for-dollar reduction in taxes owed, together with half of the water and sewer expenses; a refundable credit pays the tax filer cash for the amount by which the credit exceeds the taxes owed, without interest.

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).<sup>4</sup>
- Credit = (taxes paid) – (10% total income for the taxable year)
- For taxable year 2022, the credit amount could not exceed \$2,590

No credit is allowed if one of the following applies<sup>4</sup>:

- 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 creates a local option for cities and towns to establish means-tested property tax exemption for senior citizens equal to the total amount of tax that would otherwise be assessed less the sum of: (i) 10 per cent of income, and (ii) the senior circuit breaker income tax the applicant was eligible to receive in the year prior to the application being filed. Property taxes cannot be reduced by more than 50 per cent by this exemption.

Real property shall qualify for the exemption if all of the following criteria are met:

- (1) the real property is owned and occupied by a person whose prior year's income did not exceed the income limit established in paragraphs (3) and (4) of the senior circuit breaker tax credit;
- (2) the real property is owned by a single applicant age 65 or older at the close of the previous year or jointly by persons either of whom is age 65 or above at the close of the previous year and if the joint applicant is 60 years of age or older;
- (3) the real property is owned and occupied by the applicant or joint applicants as their domicile;
- (4) the applicant or at least 1 of the joint applicants has been domiciled in the city or town for at least 10 consecutive years before filing an application for the exemption;
- (5) the maximum assessed value of the domicile does not exceed (i) the prior year's average assessed value of a single family residence for the city or town plus 10 per cent; and (ii) the valuation limit established in paragraphs (3) and (4) of the senior circuit breaker tax credit;
- (6) the board of assessors has approved the application.

This legislation creates a dollar cap on all the exemptions granted pursuant to this section equal to .5 per cent of the fiscal year's total residential property tax levy for the city or town. After the first year of such exemption, the total cap on the exemptions granted pursuant to this section shall be set annually by the cities and towns, within a range of .5 to 1 per cent of the residential property tax levy for the city or town, including the levy for any regional high school. The exemption shall expire every three years after its acceptance or re-acceptance; provided, however, that a city or town which has accepted this section may re-accept this section for additional 3-year intervals.

This legislation also allows a higher gross receipts amount equal to \$80,000 under Clause 41C.

