

JOINT COMMITTEE ON REVENUE

194th General Court (2025-2026)

HOUSE BILL SUMMARY



Bill Number: H.3026

Name: AN ACT ALLOWING THE TOWN OF WILLIAMSTOWN TO EXPAND FINANCIAL ELIGIBILITY FOR SENIOR PROPERTY TAX EXEMPTION
[LOCAL APPROVAL RECEIVED]

Sponsor(s): John Barrett, III (North Adams)

Hearing Date: April 8, 2025

Reporting Date: June 7, 2025

Prior History: 2023-24 (H.5007): Reported favorably; referred to House Steering, Policy and Scheduling; ordered to a Third Reading

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 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. With limited exceptions, a taxpayer may only receive one exemption under M.G.L. c. 59, § 5 for each fiscal year. If a taxpayer qualifies for more than one exemption, they will receive the one that provides the greatest benefit.

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 gross receipts limitations (minus social security) are \$6,000 if single and \$7,000 if married. Whole estate limitations cannot exceed \$17,000 if single, \$20,000 if married or if the home value is included, \$40,000 if single and \$45,000 if married. 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).
 - For a homeowner, this must exceed 10% of total Massachusetts income for the tax year;
 - For a renter, 25% of annual Massachusetts rent must exceed 10% of the total Massachusetts income for the tax year.
- Credit = (taxes paid) – (10% total income for the taxable year)

No credit is allowed if one of the following applies¹:

- Taxpayer is married, filing separate;
- Taxpayer receives a federal and/or state rent subsidy or you rent from a tax-exempt entity;
- Taxpayer is the dependent of another taxpayer;
- Taxpayer is a nonresident;
- For tax year 2024, the assessed value of principal residence exceeds \$1,172,000;
- If a Schedule CB form was not completed within 3 years from the last day for filing the return, without regard to any extension of time to file.

PROPOSED CHANGE(S):

This local option would allow the town of Williamstown, by vote of a town meeting, to increase the gross receipts and whole estate limitation amounts set forth in clauses 41, 41B, and 41C of section 5 of chapter 59, for the senior property tax personal exemption. The increased amounts may not exceed the limitations of the senior circuit breaker state income tax credit limit determined by the commissioner of revenue for married persons filing jointly, regardless of the taxpayer's marital status.

¹ See Massachusetts Department of Revenue, Massachusetts Senior Circuit Breaker Tax credit:
<https://www.mass.gov/info-details/massachusetts-senior-circuit-breaker-tax-credit>