

HOUSE No. 4030

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 29, 2016.

The committee on Revenue to whom was referred the petition (accompanied by bill, House, No. 2524) of Carmine L. Gentile and others for legislation to allow municipalities to exempt up to fifty percent of real estate taxes for seniors whose annual property taxes exceed ten percent of their annual income, reports recommending that the accompanying bill (House, No. 4030) ought to pass.

For the committee,

JAY R. KAUFMAN.

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**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to the establishment of a means tested senior citizen property tax exemption.

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

1 Chapter 59 of the General Laws, as appearing in the 2014 official edition, is hereby
2 amended by inserting after section 5N the following section:-

3 Section 5O. (a) In any city or town that accepts the provisions of this section, with respect
4 to each qualifying parcel of real property classified as Class one, residential there shall be an
5 exemption from the property tax equal to the total amount of tax that would otherwise be
6 assessed without this exemption less the sum of: (i) 10 per cent of the total annual qualifying
7 income for purposes of circuit breaker income tax credit under subsection (k) of section 6 of
8 chapter 62; and (ii) the circuit breaker income tax credit under said subsection (k) of said section
9 6 the applicant was eligible to receive in the year prior to the application being filed. The
10 percentage of total annual qualifying income may be raised under subsection (c). In no event
11 shall property taxes be reduced by more than 50 per cent by this exemption. The exemption shall
12 be applied to the domicile of the taxpayer only. For the purposes of this section, "parcel" shall be
13 a unit of real property as defined by the assessors of the city or town under the deed for the
14 property and shall include a condominium unit.

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

19 (1) the real property is owned and occupied by a person whose prior year's income would
20 make the person eligible for the circuit breaker income tax credit under subsection (k) of section
21 6 of chapter 62;

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

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

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

29 (5) the maximum assessed value of the domicile is no greater than the prior year's
30 average assessed value of a single family residence for the city or town plus 10 per cent; and

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

32 (c) The exemption under subsection (a) shall be in addition to any other exemption
33 allowable under the General Laws, except that there shall be a dollar cap on all the exemptions
34 granted pursuant to this section equal to .5 per cent of the fiscal year's total residential property
35 tax levy for the city or town, including the levy for any regional high school if not included in the

36 city's or town's tax levy at some subsequent date with the total exemption amount granted by
37 this section allocated proportionally within the tax levy on all residential taxpayers. After the
38 first year of such exemption, the total cap on the exemptions granted pursuant to this section
39 shall be set annually by the board of selectmen, in the case of a town, the city manager, in the
40 case of a city under a Plan E form of government, or the city council, in the case of all other
41 cities, within a range of .5 to 1 per cent of the residential property tax levy for the city or town,
42 including the levy for any regional high school. In the event that benefits to the applicants may
43 be limited because the percentage established annually by the selectmen, city manager or city
44 council would otherwise be exceeded, the benefits shall be allocated by raising the total annual
45 qualifying income percentage as required in section 1 as necessary to not exceed the cap. In the
46 event the cap exceeds the need for the exemption, the total cap on the exemptions granted by this
47 section shall be reduced to meet the need.

48 (d) A person who seeks to qualify for the exemption under subsection (a) shall, before the
49 deadline established by the board of assessors, file an application, on a form to be adopted by the
50 board of assessors, with the supporting documentation of the applicant's income and assets as
51 described in the application. The application shall be filed each year for which the applicant
52 seeks the exemption.

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

56 (f) The exemption under this section shall expire every three years after its acceptance or
57 re-acceptance; provided, however, that a city or town which has accepted this section may re-

58 accept this section for additional three-year intervals by a vote of the legislative body of said city
59 or town.