

HOUSE No. 3963

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, January 25, 2016.

The committee on Revenue to whom was referred the petition (accompanied by bill, House, No. 3507) of Kate Hogan and others for legislation to establish estate tax valuation for farms, reports recommending that the accompanying bill (House, No. 3963) 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 to establish estate tax valuation for farms.

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

1 Section 5 of chapter 65C of the General Laws, as appearing in the 2012 Official Edition,
2 is hereby amended by striking out subsection (c) and inserting in place thereof the following 2
3 subsections:-

4 (c) If the gross estate of a decedent includes real property devoted to use as a farm for
5 farming purposes, the estate may elect to either value such property in accordance with section
6 2032A of the Code, in effect on January 1, 1985 or, if the gross estate of a decedent includes real
7 property devoted to use for closely held agricultural land, the value of such land shall be valued
8 pursuant to the valuation set by the farmland valuation advisory commission established pursuant
9 to section 11 of chapter 61A for the fiscal year of the most recent growing season. If a federal
10 return is required to be filed the election under this subsection shall be consistent with the
11 election made for federal estate tax purposes. All the substantive and procedural provisions of
12 said section 2032A shall, insofar as pertinent and consistent, apply to the election made under
13 this subsection. The commissioner shall promulgate regulations to carry out the provisions of this
14 subsection and subsection (d).

15 (d) Land shall qualify for valuation as closely held agricultural land under subsection (c)
16 of this section if it meets the definition of: forest land under chapter 61; land in agricultural or
17 horticultural use under chapter 61A; recreational land under chapter 61B that is also used for
18 farming or agriculture, as defined in section 1A of chapter 128; provided that the land need not
19 be classified by municipal assessors as forest land under chapter 61, land in agricultural or
20 horticultural use under chapter 61A or recreational land under chapter 61B to qualify for
21 valuation as closely held agricultural land under said subsection (c) if it otherwise meets the
22 applicable definitions.

23 When land valued as closely held agricultural land under said subsection (c) no longer
24 meets the definition of forest land under chapter 61, land in agricultural or horticultural use under
25 chapter 61A, recreational land under chapter 61B that is used for farming or agriculture as
26 defined in section 1A of chapter 128, the land shall be subject to roll-back taxes in the current tax
27 year in which it is disqualified and in those years of the 9 immediately preceding tax years in
28 which the land was so valued. Roll-back taxes shall be calculated: under section 7 of chapter 61
29 for forest land, under section 13 of chapter 61A for lands in agricultural or horticultural use
30 under chapter 61A, or under section 8 of chapter 61B for recreational land that is used for
31 farming or agriculture as defined under section 1A of chapter 128.