

HOUSE No. 4215

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 14, 2018.

The committee on Revenue to whom were referred the petition (accompanied by bill, House, No. 1516) of William C. Galvin for legislation to exempt disabled veterans from the motor vehicle leasing sales tax, the petition (accompanied by bill, House, No. 1606) of Elizabeth A. Poirier and others for legislation to make income received by a prisoner of war tax-exempt, the petition (accompanied by bill, House, No. 3305) of Paul Brodeur and others relative to cost of living adjustments to certain tax benefits for veterans, the petition (accompanied by bill, House, No. 3309) of Linda Dean Campbell and others relative to veterans property tax abatements and the petition (accompanied by bill, House, No. 3697) of James M. Murphy relative to property tax exemptions for surviving parents of certain deceased members of the armed forces, reports recommending that the accompanying bill (House, No. 4215) ought to pass.

For the committee,

JAY R. KAUFMAN.

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**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to veterans property tax abatements.

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 1. Section 5 of chapter 59 of the General Laws, as appearing in the 2016
2 Official Edition, is hereby amended by inserting after the words “Twenty-second G”, in line 9,
3 the following:-

4 , Twenty-second H, Twenty-second I.

5 SECTION 2. Said section 5 of said chapter 59, as so appearing, is hereby amended by
6 inserting after clause Seventeenth E, the following clause:-

7 Seventeenth F, Notwithstanding any provision of general or special law to the contrary,
8 an abatement granted pursuant to clause Seventeenth, Seventeenth C, Seventeenth C 1/2 or
9 Seventeenth D may be increased annually in the discretion of a city or town by an amount not to
10 exceed the increase in the cost of living as determined by the Consumer Price Index for such
11 year. This clause shall take effect in a city or town upon its acceptance by such city or town.

12 SECTION 3. Clause Eighteenth A of said section 5 of said chapter 59, as so appearing, is
13 hereby amended by inserting, in line 556, after the words “the property or,” the following:- 1
14 year after.

15 SECTION 4. Clause Twenty-second A of said section 5 of said chapter 59, as so
16 appearing, is hereby amended by inserting, in line 688, after the words “air force cross”, the
17 following:-

18 , or who is or was a prisoner of war defined as any regularly appointed, enrolled, enlisted,
19 or inducted member of the military forces of the United States who was captured, separated and
20 incarcerated by an enemy of the United States during an armed conflict.

21 SECTION 5. Said section 5 of said chapter 59, as so appearing, is hereby amended by
22 striking out clauses Twenty-second F and Twenty-second G.

23 SECTION 6. Said section 5 of said chapter 59, as so appearing, is hereby amended by
24 inserting after clause Twenty-second E, the following clauses:-

25 Twenty-second F, Real estate of soldiers and sailors who are veterans, as defined in
26 clause Forty-third of section 7 of chapter 4, and their spouses who, according to the records of
27 the United States Department of Veterans Affairs or of any branch of the armed forces of the
28 United States by reason of injury received while in service and in the line of duty are paraplegics
29 or have a disability rating of 100 per cent for service-connected blindness; provided, however,
30 that the veteran or spouse shall be a legal resident of the commonwealth, the veteran's last
31 discharge or release from the armed forces was under other than dishonorable conditions and the
32 veteran was domiciled in the commonwealth for at least 6 months prior to entering service or
33 resided in the commonwealth for 5 consecutive years prior to the date of filing for exemption

34 pursuant to this clause; provided, further, that the real estate is occupied as the veteran's
35 domicile; provided, further, that if the property is greater than a single-family house, then only
36 that value of so much of the house as is occupied by the person as the person's domicile shall be
37 exempted; and provided, further, that an exemption pursuant to this clause shall continue
38 unchanged for the benefit of the surviving spouse after the death of the disabled veteran as long
39 as the surviving spouse of the qualified veteran shall remain an owner and occupant of a
40 domicile subject to the exemption.

41 No real estate shall be exempt if the assessors adjudge that it has been conveyed to a
42 soldier or sailor to evade taxation.

43 After the assessors have allowed an exemption pursuant to this clause, no further
44 evidence of the existence of the facts required by this clause shall be required in any subsequent
45 year in the city or town in which the exemption has been allowed; provided, however, that the
46 assessors may refuse to allow an exemption in any subsequent year if they become aware that the
47 soldier or sailor did not satisfy all of the requisites of this clause at the time the exemption was
48 first granted.

49 Two thousand dollars of this exemption or up to \$175, whichever basis is applicable,
50 shall be borne by the city or town and the balance shall be borne by the commonwealth;
51 provided; however, that the state treasurer shall annually reimburse the city or town for the
52 amount of the tax which otherwise would have been collected on account of this balance.

53 Twenty-second G, Real estate, in any city or town that accepts this clause, that is the
54 residence or domicile of a soldier, sailor or veteran as defined in clause Forty-third of section 7
55 of chapter 4 or that was the residence or domicile of such soldier, sailor or veteran at the time of

56 such soldier, sailor or veteran's death and that has been transferred or conveyed to a trust or
57 conservatorship or through any other legal instrument passing ownership from the soldier, sailor
58 or veteran to such soldier, sailor or veteran's spouse or surviving spouse; provided, however, that
59 this abatement or exemption shall be equivalent in amount to and bound by all the applicable
60 provisions of any single abatement or exemption under clauses Twenty-second to Twenty-
61 second F, inclusive, that would be available to the residence or domicile were it not so
62 transferred or conveyed; provided further, that the residence or domicile shall be entitled to
63 lawfully retain that tax abatement or exemption until the later of the death of the soldier, sailor or
64 veteran, or the death of such soldier, sailor or veteran's surviving spouse; and provided further,
65 that the soldier, sailor or veteran or the surviving spouse shall remain residing in the residence or
66 domicile until their respective deaths.

67 Twenty-second H, Real estate of the owner, lessor or sublessor of a dwelling unit rented
68 to soldiers and sailors who are veterans, as defined in clause Forty-third of section 7 of chapter 4,
69 their spouses and dependents as defined by section 152 of the Internal Revenue Code of the
70 United States, as amended and in effect for the taxable year, who are legal residents of the
71 commonwealth, whose last discharge or release from the armed forces was under other than
72 dishonorable conditions, and who were domiciled in Massachusetts for at least 6 months prior to
73 entering such service, or who have resided in the commonwealth for 5 consecutive years next
74 prior to date of filing for exemption under this clause; provided: (A) that such real estate is
75 occupied as a domicile by the veteran, their spouse or dependent; (B) that if said property be
76 greater than a single-family house then only that value of so much of said house as is occupied
77 by the veteran, their spouse or dependent as a domicile; and (C) that said dwelling unit is leased
78 at a reduced rate of \$200 per month below fair market rent, defined as the small area fair market

79 rent as established by the United States Department of Housing and Urban Development
80 pursuant to section 888.113(c) of Title 24 of the Code of Federal Regulations or, if no small area
81 fair market rent exists for such dwelling unit, then the fair market rent as published by the United
82 States Department of Housing and Urban Development pursuant to 1437f of Title 42 of the
83 United States Code. The amount of actual taxes due shall not be reduced by more than \$1,000
84 under this clause. This clause shall take effect upon its acceptance by any city or town.

85 Twenty-second I, Real estate to the full amount of the taxable valuation of real property
86 of the surviving parents or guardians of soldiers and sailors, members of the National Guard and
87 veterans who: (i) during active duty service, suffered an injury or illness documented by the
88 United States Department of Veterans Affairs or a branch of the armed forces which was a
89 proximate cause of their death; or (ii) are missing in action with a presumptive finding of death
90 as a result of active duty service as members of the armed forces of the United States; provided,
91 however, that the real estate shall be occupied by the surviving parents or guardians as the
92 surviving parents' or guardians' domicile; and provided further, that the surviving parents or
93 guardians shall have been domiciled in the commonwealth for the 5 consecutive years
94 immediately before the date of filing for an exemption pursuant to this clause or the soldier or
95 sailor, member of the National Guard or veteran was domiciled in the commonwealth for at least
96 6 months before entering service.

97 Surviving parents or guardians eligible for an exemption pursuant to this clause shall be
98 eligible regardless of when the soldier, sailor, member of the National Guard or veteran died or
99 became missing in action with a presumptive finding of death; provided, however, that the
100 exemption shall only apply to tax years beginning on or after January 1, 2019. Such exemption
101 shall be available until such time as the surviving parents or guardians die.

102 No real estate shall be so exempt which has been conveyed to the surviving parents or
103 guardians to evade taxation. This clause shall take effect upon its acceptance by any city or town.

104 Twenty-second J, The exemptions, abatements, amounts of the exemptions and
105 abatements borne by a city or town and reimbursement limits set forth in clauses Twenty-second,
106 Twenty-second A, Twenty-second B, Twenty-second C, Twenty-second E and Twenty-second F
107 shall be increased annually by an amount equal to the increase in the Consumer Price Index
108 published by the United States Department of Labor, Bureau of Labor Statistics, for such year.
109 The department of revenue shall annually inform each city or town of the amount of this
110 increase.

111 Twenty-second K, Notwithstanding this section, in any city or town which accepts this
112 clause, the exemptions available pursuant to clauses Twenty-second, Twenty-second A, Twenty-
113 second B, Twenty-second C, Twenty-second D, Twenty-second E, Twenty-second F, Twenty-
114 second H and Twenty-second I may be granted to otherwise eligible persons who have resided in
115 the commonwealth for 1 year prior to the date of filing for exemptions pursuant to the applicable
116 clause.

117 SECTION 7. Clause Fifty-fifth of said section 5 of said chapter 59, as so appearing, is
118 hereby amended by striking out the second paragraph.

119 SECTION 8. Section 5N of said chapter 59, as so appearing, is hereby amended by
120 striking out, in lines 16 and 43, the figure "\$1,000" and inserting in place thereof the following
121 figure:- \$1,500.

122 SECTION 9. Section 6 of chapter 64H, as so appearing, is hereby amended by striking
123 out subsection (u) and inserting in place thereof the following subsection:-

124 (u) Sale or lease of a motor vehicle purchased by or leased to and for the use of a person
125 who has suffered loss, or permanent loss of use of, both legs or both arms or one leg and one arm
126 or purchased by or leased to and for the use of a veteran who has been determined to be
127 permanently disabled by the medical advisory board established pursuant to section 8C of
128 chapter 90 and has been issued a disabled veteran number plate pursuant to section 2 of said
129 chapter 90. This exemption shall apply to 1 motor vehicle only owned or leased and registered
130 for the personal, noncommercial use of such person.

131 SECTION 10. This act shall take effect on July 1, 2018.