

SENATE No. 01449

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act providing for a local option tax exemption .

PETITION OF:

NAME:

James B. Eldridge

DISTRICT/ADDRESS:

Middlesex and Worcester

SENATE No. 01449

By Mr. Eldridge, petition (accompanied by bill, Senate, No. 1449) of Eldridge for legislation to provide for a local option tax exemption [Joint Committee on Revenue].

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act providing for a local option 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 SECTION 1. Chapter 59 of the General Laws is hereby amended by inserting after
2 section 5N the following section:

3 Section 5M. Senior Residents.

4 In any city or town that accepts the provisions of this section, with respect to each
5 parcel of real property classified as class one residential that further meets the qualifications of
6 this section, there shall be a cap on property taxes of up to 10 per cent of the total annual
7 household income, except that in no event shall property taxes be reduced by more than 50 per
8 cent of the tax due, including all tax abatements and exemptions, but excluding state circuit
9 breakers. The exemption shall be applied only to the principal residence of a taxpayer as used by
10 the taxpayer for income tax purposes.

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

12 (a) the qualifying real estate is owned and occupied by a person or family where the
13 total annual household income shall not exceed the following: single applicant \$51,000; single
14 head of household applicant: \$64,000; married applicant filing jointly \$77,000;

15 (b) the qualifying real estate is owned and occupied by at least 1 person having
16 reached age 65 or 70, as specified by the city or town that accepts this section, at the close of the
17 previous tax year;

18 (c) the qualifying real estate is owned and occupied by the applicant at least 6 months
19 plus 1 day each year;

20 (d) the applicant has resided in the city or town at least 10 consecutive years before
21 filing an application for the exemption; and

22 (e) the maximum assessed value of the applicant's primary residence is no greater
23 than the median assessed value of a single family residence in the city or town plus 10 per cent,
24 as measured for the tax year immediately previous to the tax year for which the application for
25 exemption is filed.

26 The exemption provided for in this section shall be in addition to any other exemption
27 allowable under the General Laws, except that there shall be a dollar cap for all tax abatements,
28 excluding circuit breakers. This cap shall be set annually by the tax setting authority and shall be
29 between .5% and 1% of the previous fiscal year's total tax levy for the accepting municipality.

30 A person who seeks to qualify for this exemption shall file with the board of assessors
31 an application for abatement on a form to be adopted by the tax setting authority and available at
32 the assessor's office with the supporting documentation as described in the application. The

33 application shall be filed by January 31 each year for which the applicant seeks the exemption
34 for the fiscal year commencing the following July 1.

35 For the purposes of this act, "parcel" shall be a unit of real property as defined by the
36 assessors in accordance with the deed for the property and shall include a condominium unit.

37 For purposes of the exemption, "total annual household income" shall be the sum of
38 the applicant's "total taxable 5.3 per cent income" on Massachusetts Form 1 and those same
39 incomes for other income-producing members of the household. The income shall be increased
40 by amounts that may have been excluded or subtracted from calculation, such as income from
41 social security benefits, cash public assistance, tax-exempt interest and dividends, capital gains,
42 income from a partnership or trust, returns on capital reported on schedule C and excluded
43 income from any other source.

44 Acceptance of this chapter by the city or town shall be by a majority vote of its
45 legislative body. The acceptance shall become effective on the thirtieth day following the
46 affirmative vote.

47 The acceptance of this act may be revoked by a majority vote of the legislative body,
48 subject to its charter. Revocation shall become effective on the thirtieth day following that vote.