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**Governor  
Deval Patrick** in Governor's Office 

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**Governor Patrick Announces Property Tax Relief Plan****Administration seeks expansion of tax credit for working families, plans to fund property tax relief by closing corporate tax loopholes**

SOMERVILLE-Thursday, February 22, 2007-Meeting with homeowners and small business leaders today, Governor Deval Patrick outlined his plan to provide property tax relief to citizens across the Commonwealth and explained how the administration is beginning to lay the groundwork for reducing communities' reliance on the property tax in the future.

"The bottom line is that people in Massachusetts have been paying more and getting less. It's our job to turn that around," Governor Patrick said. "In legislation that will accompany our budget and our recently filed Municipal Partnership Act, we are taking steps that will allow communities to increase their revenue base so they can begin to relieve the pressure on the property tax, making Massachusetts a more affordable and attractive place to live."

Governor Patrick announced today that he will create a Homeowner Circuit Breaker that will apply to homeowners of all ages. Under the plan, which would take effect January 1, 2008, an estimated 100,000 families and individuals across the Commonwealth would qualify for a state tax credit of up to \$870 per year. This credit represents a nearly 25 percent offset to the average state-wide property tax bill of \$3,800.

Individuals earning up to \$46,000 who are not head of household, heads of household earning up to \$58,000 and married couples filing jointly earning up to \$70,000 would qualify. The assessed value of a homeowner's principal residence could not exceed \$684,000. The credit will cover the amount by which a household's property tax payment, including water and sewer charges, exceeds 10 percent of their income.

To fund the Homeowner Circuit Breaker, Governor Patrick will file legislation next week to close a number of corporate tax loopholes that allow some companies to exploit the tax code and receive unintentional and unfair benefits.

"There are cracks in the system which allow companies to avoid paying their fair share," Governor Patrick said. "By closing these unintended loopholes, we can help relieve the burden on homeowners and small businesses and assure that all Massachusetts businesses are treated fairly and equitably."

The Governor also announced that next week he will call for an examination of the Commonwealth's antiquated tax structure. Included in the study group will be members of the business community together with leaders in labor, government and other community stakeholders in order to create a business climate that strengthens our global competitiveness .

Governor Patrick outlined several other steps his administration is taking to relieve the pressure on the property tax. In the Municipal Partnership Act, filed last week, Governor Patrick proposed closing a telecommunications tax loophole that currently requires utility companies to pay property taxes on above ground poles and wires but exempts telecommunications companies from those same requirements. By closing the loophole, cities and towns would recognize an estimated \$78 million in new revenue. The city of Boston has already pledged to return that money to homeowners, shaving a few hundred dollars on their property tax bills.

Also in the Municipal Partnership Act, Governor Patrick proposed allowing cities and towns to raise additional revenues through local options meal and lodging taxes, adding to their revenue base. Additionally, 25 percent of those new funds would be placed in a new state fund aimed at increasing the senior tax exemption. The new fund would reimburse communities that currently offer the exemption or to new communities that choose to offer it.

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