

By Mr. Businger of Brookline, petition of John A. Businger for legislation to provide property tax relief for homeowners. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT PROVIDING FOR PROPERTY TAX RELIEF FOR HOMEOWNERS.

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. The General Laws are hereby amended by
2 inserting after chapter 62F the following chapter: —

3 **CHAPTER 62G**

4 Section 1. The following words when used in this chapter shall,
5 unless the context requires otherwise, have the following
6 meanings:

7 “Claimant”, an individual who has filed for relief under this
8 chapter.

9 “Commissioner”, the Commissioner of Revenue.

10 “Household”, a family unit or other group living in a single
11 residence, sharing the furnishings, facilities, accommodations, not
12 including lessees, tenants, or boarders on contract.

13 “Household income”, the total combined Massachusetts gross
14 income, as defined by section two of chapter sixty-two and as
15 hereinafter modified of all members of the household during the
16 preceding calendar year, increased by the total amount of income
17 and receipts from social security, retirement, pension, or disability
18 benefits and annuities, workmen’s and unemployment compen-
19 sation, public assistance and relief, tax-exempt interest and
20 dividends, capital gains defined in chapter sixty-two, section two,
21 paragraph C, clause the third, income from a partnership or trust
22 not included therein and gross receipts from any other source

23 other than the assistance received under this chapter, and reduced
24 by ordinary business expenses and losses, but not personal or
25 family expenses, and income shall be reduced by the total amount
26 of the exemptions to which members of the household would be
27 entitled under clauses (1) to (3), inclusive, of subdivision (B) of
28 subsection (b) of section three of chapter sixty-two. The income
29 of persons who were members of the household for less than
30 twelve months of the preceding calendar year shall be included
31 only for the period that such persons were members of the
32 household.

33 "Preceding calendar year", the calendar year immediately
34 preceding the calendar year during which the claim for assistance
35 is filed.

36 "Real estate tax payment", the real estate tax levied pursuant
37 to chapter fifty-nine of the General Laws on the residence of a
38 household and actually paid by the claimant during the preceding
39 calendar, either individually or in conjunction with other
40 household members, exclusive of special assessments and
41 delinquent interest, and less any abatement granted. The real
42 estate tax payment shall include the tax paid on the building
43 containing the residence and adjoining land, except that in the
44 case of a multi-unit dwelling containing more than four dwelling
45 units, a land area in excess of one acre, or a multi-purpose building
46 or land area, the real estate tax payment shall constitute the real
47 estate tax levied and paid on the entire building or area, multiplied
48 by a fraction the numerator of which is the actual value of the
49 portion of the larger area or building used and occupied as the
50 residence of the household, and the denominator of which is the
51 actual value of the larger area or building.

52 "Rent constituting real estate tax payment", fifteen percent of
53 the rent actually paid by a claimant, either individually or in con-
54 junction with other members of the household, under a good faith
55 rental agreement, for the right of occupancy of the residence
56 during the preceding calendar year or portion thereof. The rental
57 agreement shall not be deemed to be a good faith rental agreement
58 if it was entered into or if the amount of rent was agreed upon
59 for the purpose of obtaining or increasing the amount of assistance
60 available to the claimant under this chapter.

61 “Residence”, the building or portion thereof, including a mobile
62 home, owned or rented and actually occupied by the claimant’s
63 household as its primary dwelling during the preceding calendar
64 year, and located within the commonwealth, together with so
65 much of the land surrounding it, not to exceed one acre, as is
66 reasonably necessary to the use of the dwelling as a home. A
67 residence may consist of a part of the multi-unit or multi-purpose
68 building.

69 “Treasurer”, the state treasurer.

70 Section 2. Each eligible claimant shall be entitled to assistance
71 under this chapter equal to the amount by which the real estate
72 tax payment or the rent constituting real estate tax payment
73 exceeds eight percent of the household income of the claimant,
74 which amount shall be multiplied by a factor which shall be eighty
75 percent if the household income of the claimant does not exceed
76 fifteen thousand dollars, sixty percent if the household income of
77 the claimant exceeds fifteen thousand dollars but does not exceed
78 twenty thousand dollars, forty percent if the household income
79 of the claimant exceeds twenty thousand dollars but does not
80 exceed twenty-five thousand dollars, and twenty percent if the
81 household income of the claimant exceeds twenty-five thousand
82 dollars but does not exceed thirty thousand dollars. The
83 maximum amount of assistance to any claimant shall be seven
84 hundred and fifty dollars and only one claimant from any
85 household shall be entitled to assistance with respect to any
86 calendar year.

87 Section 3. No claimant shall be eligible for assistance under this
88 chapter if the claimant’s household income for the preceding
89 calendar year exceeds thirty thousand dollars.

90 No claimant shall be eligible for assistance under this chapter
91 if the claimant was designated as a dependent by another
92 individual for federal income tax purposes with respect to any
93 portion of the preceding calendar year.

94 No assistance shall be granted under this chapter with respect
95 to the real estate tax payment or rent constituting real estate tax
96 payment on more than one residence of any claimant during any
97 calendar year; provided, however, that a claimant whose
98 household makes a permanent change of primary dwellings during
99 the course of the calendar year may claim assistance for real estate

100 tax payment or rent constituting real estate tax payment with
101 respect to each such primary dwelling actually occupied during
102 the preceding year.

103 Any assistance granted under this chapter shall be reduced by
104 the amount of any exemption received by the claimant during the
105 preceding calendar year under clauses Seventeenth, Seventeenth
106 C, Seventeenth D, and clauses Thirty-seventh, Thirty-seventh A,
107 Forty-first, Forty-first B, Forty-first C, Forty-second or Forty-
108 third of section 5 of Chapter 59.

109 No assistance shall be granted under this chapter unless the
110 claimant has been domiciled in the Commonwealth during the
111 entire preceding calendar year.

112 Section 4. No assistance shall be granted under this chapter
113 unless such assistance is claimed on a form approved by the
114 commissioner and filed together with the return of income
115 provided for by section six of chapter sixty-two C or in case of
116 an individual not otherwise required to file a return under said
117 section, on or before the fifteenth day of April following the end
118 of the calendar year with respect to which assistance is claimed,
119 or within any extension of time granted by the commissioner.

120 Section 5. The commissioner shall be responsible for the
121 determination of the amount of assistance to which each claimant
122 is entitled under this chapter, and shall make available forms and
123 tables of allowable claims with instructions for claimants. The
124 commissioner shall adopt such regulations for claimants. The
125 commissioner shall adopt such regulations and require such
126 information, including reasonable proof of taxes or rent paid, as
127 he deems necessary. The commissioner shall formulate the
128 regulations to encourage the maximum participation of persons
129 entitled to assistance under this chapter and shall make every
130 effort to inform the public about the assistance available under
131 this chapter.

132 Section 6. If upon the audit of any claim filed under this chapter
133 the commissioner determines that the claimant is ineligible for
134 assistance, that the amount of assistance claimed was incorrectly
135 determined, or that the rent constituting real estate tax payment
136 did not result from a good faith rental agreement and that the
137 rent claim was excessive, the commissioner shall deny or

138 redetermine the claim and shall notify the claimant of the denial
139 or redetermination and the reasons therefor.

140 The commissioner shall direct the treasurer to pay all valid
141 claims for the funds appropriated for the property tax assistance
142 fund for the fiscal year in which such claims are paid, on or before
143 the fifteenth day of October of the year in which the claims are
144 filed. Any payment made after this date shall bear interest at the
145 rate of six percent per annum.

146 If the aggregate amount of all assistance to which all claimants
147 are entitled under this chapter in any fiscal year exceeds the
148 amount appropriated for the property tax assistance fund for such
149 fiscal year, the amount of assistance which shall be paid to each
150 claimant for such fiscal year shall be the amount to which each
151 such claimant would otherwise be entitled under this chapter,
152 multiplied by a fraction the numerator of which is the amount
153 appropriated for the property tax assistance fund for such fiscal
154 year and the denominator of which is the aggregate amount of
155 assistance to which all claimants would otherwise be entitled
156 under this chapter for such fiscal year.

157 The commissioner shall file a report with the governor, the clerk
158 of the senate and the clerk of the house of representatives on or
159 before the fourth Monday of February of each year, setting forth
160 the amount of assistance claimed, authorized, and actually paid
161 under this chapter, the number of recipients, and the amount of
162 assistance reported by locality, income level, nature of dwelling
163 and such other variables as will assist in the evaluation of the
164 assistance granted under this chapter.

165 Section 7. All provisions of law relative to the assessment,
166 collection, payment, abatement, appeal, verification and
167 administration of taxes levied under chapter sixty-two, shall, so
168 far as pertinent, be applicable to claims for assistance under this
169 chapter. If, after the amount of assistance has been paid, the
170 commissioner determines through subsequent audit of the claim
171 that the claimant was not entitled to such assistance or to some
172 portion thereof, the commissioner may at any time within three
173 years of the payment of such assistance, assess and collect such
174 portion in the manner provided for the assessment and collection
175 of taxes levied under chapter sixty-two.

176 Section 8. The amount of any assistance due under the
177 provisions of this chapter may be applied by the treasurer against
178 any outstanding taxes owed to the commonwealth or its
179 subdivisions by the claimant or members of the claimant's
180 household, upon certification by the commissioner and adequate
181 notification to the claimant.

182 Section 9. If it is determined that a claim is excessive and was
183 filed with fraudulent intent, the claim shall be disallowed in full,
184 and if the claim has been paid the amount may be recovered by
185 assessment as provided in section eight of this chapter, and the
186 assessment shall bear interest from the date of payment until
187 refunded or repaid, at the rate of one percent per month. Any
188 claimant who willfully files a false or fraudulent claim, and any
189 person who assisted in the preparation or filing of such a claim
190 with fraudulent intent, shall be punished by a fine of not less than
191 one hundred nor more than ten thousand dollars, or by
192 imprisonment for not more than one year, or both.

193 Section 10. No owner of rented residential property shall
194 discriminate in the renting, charging or collecting of rent on any
195 rented unit, or in any other manner, because the tenant or lessee
196 is claiming or receiving assistance under this chapter. No owner
197 or lessor of rented or residential property shall increase rents in
198 order to recover directly or indirectly any assistance claimed or
199 received by a tenant, lessee or occupant shall be legally obligated
200 to pay any such increase or penalized in any way for failure to
201 do so.

202 Section 11. Allowable state tax revenues, as defined in chapter
203 62F, shall be increased by the amounts appropriated for the
204 property tax assistance fund for such fiscal year.

