

2000-13B

## **PROPERTY TAX EXEMPTIONS**

TO: Assessors, Selectmen, Mayors and Finance Directors

FROM: Joseph J. Chessey, Jr., Deputy Commissioner  
Division of Local Services

DATE: August 2000

SUBJECT: Recent Legislation Regarding Exemptions for Small Personal Property Accounts and Surviving Spouses of Disabled Veterans

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This *Bulletin* is to advise local officials of several outside sections in the Fiscal Year 2001 State Budget that provide for additional property tax exemptions.

### **Small Personal Property Accounts G.L. Ch. 59 §5(54) added by Ch. 159 §114 of the Acts of 2000**

A new local option, G.L. Ch. 59 §5(54), allows a city or town that accepts its provisions to establish a minimum fair cash value required for personal property accounts to be taxed, and to modify that value, by vote of town meeting, town council or city council. Acceptance is also by vote of town meeting, town council with the manager's approval where required, or city council with the mayor's approval where required. G.L. Ch. 4 §4. The minimum value cannot be more than \$10,000.

A community may accept this provision any time after its effective date of October 26, 2000. The exemption for small accounts will apply for the fiscal year beginning on the next July 1 after the acceptance vote, unless the vote specifies another implementation date. Fiscal Year 2002 is the first year the exemption may be implemented. Ch. 159 §488 of the Acts of 2000.

Assessors should continue to request that taxpayers submit annual Forms of List since exempt status could change from year to year depending on the extent and value of tangible personalty as of each January 1. Failure to submit a return, however, will not preclude a full exemption if the assessors determine that the value of the taxpayer's otherwise taxable personalty is within the established minimum value.

**Surviving Spouses of Disabled Veterans**  
**G.L. Ch. 59 §5(22d), (22A), (22B), (22C), (22E) amended by Ch. 159 §§109-113 of the Acts of 2000**

Exemptions available to disabled veterans other than those who qualify for the basic \$250 exemption under G.L. Ch. 59 §5(22) have been extended to their surviving spouses regardless of marital status. These veterans qualified for higher exemption amounts ranging from \$425 to \$950 under G.L. Ch. 59 §5(22A), (22B), (22C) and (22E). Previously, their surviving spouses only qualified for the basic \$250 exemption benefit and that reduced benefit was eliminated if the spouse remarried. G.L. Ch. 59 §5(22d).

Surviving spouses of qualified veterans who died before or after the effective date of these amendments are eligible for the higher exemption benefit. Ch. 159 §487 of the Acts of 2000. Eligible surviving spouses are not limited to those whose veteran spouses were actually receiving a Clause 22A, 22B, 22C or 22D exemption at the time of their deaths. The veteran spouses need only have qualified for one of the higher benefit exemptions at the time of death. If assessors cannot determine from available records whether the veteran so qualified, they should ask the surviving spouse to provide the necessary information to establish eligibility in the first year the higher benefit exemption is granted. Once granted, no further proof of eligibility need be submitted in future years.

These changes in the law apply to exemptions granted for fiscal years beginning on July 1, 2000, but do not take effect until October 26, 2000. If assessors receive fiscal year 2001 exemption applications from surviving spouses who qualify for the higher amount before then, they should request extensions of the three month action period if necessary in order to delay acting on the application until after the effective date.

The Division of Local Services has requested a supplemental appropriation for fiscal year 2001 in order to reimburse cities and towns for the difference between \$250 and the amount of any higher exemption granted a surviving spouse of these veterans.

Attached is a chart that shows the individuals who may now apply for each type of veteran exemption after this change in the law. Also attached is a revised taxpayer's guide to exemptions for qualifying veterans. The brochure may be reproduced by your office for distribution to interested taxpayers. **Please discard all copies of the previous edition of the brochure.**

If you have any questions about these legislative changes, please contact the Property Tax Bureau legal staff.

## VETERAN EXEMPTIONS Applicants

CLAUSE	TYPE	AMOUNT	VETERAN	SPOUSE	SURVIVING SPOUSE	SURVIVING PARENT
22(a)	Veterans with minimum 10% war service disability	\$250	X			
22(b)	Veterans of certain pre-World War I conflicts	\$250	X			
22(c)	Veterans awarded purple hearts	\$250	X			
22(d)	Spouses and surviving spouses of Clause 22(a) – (c) veterans	\$250		X	Until remarriage	
22(e)	Gold star parents	\$250				X
22(f)	Surviving spouses of World War I veterans	\$250			Until remarriage	
22A	Veterans who lost one hand, foot or eye or awarded certain service medals	\$425	X	X	X	
22B	Veterans who lost two hands, feet or eyes	\$775	X	X	X	
22C	Veterans with 100% disability and specially adapted housing	\$950	X	X	X	
22D	Surviving spouses of veterans killed during Quemoy and Matsu mission	\$250			Until remarriage	
22E	Veterans with 100% disability and who are unable to work	\$600	X		X	
	Paraplegic veterans	Full	X		X	

## **INTRODUCTION**

A tax exemption is a discharge from the obligation to pay all or a portion of a tax. Exemptions are conferred by the Legislature on particular categories of persons or property.

Clauses 22, 22A, 22B, 22C, 22D and 22E of Section 5 of Chapter 59 provide exemptions to certain veterans (and their spouses or surviving spouses) who were not dishonorably discharged and who meet certain residency requirements.

## **APPLICATIONS**

Applications must be filed annually with the local assessors in the city or town where the property is located on or before December 15th, or three months after the actual tax bills are mailed, whichever is later. Filing an application does not entitle the applicant to a delay in tax payment.

## **RESIDENCY REQUIREMENTS**

An individual must (1) have been a Massachusetts domiciliary prior to entering the service OR (2) have lived in Massachusetts for not less than 5 years prior to filing for exemption or, in those communities which have accepted the alternative local option provision, for not less than 1 year prior to filing.

## **DOCUMENTATION**

An applicant for an exemption must provide to the assessors whatever information is reasonably required to establish eligibility. This information may include, but not be limited to:

1. Certification of a wartime service connected disability from the Veterans Administration or the branch of service from which separated.
2. Evidence of domicile and occupancy.

## **DOMICILE**

The veteran must occupy the property as his or her domicile on July 1 of the tax year.

## **OWNERSHIP**

1. A qualifying applicant must possess a sufficient ownership interest in the domicile. To satisfy this ownership requirement, the person's interest must be worth at least \$2,000. The person may own this interest solely, as a joint owner or as a tenant in common.
2. The holder of a life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he:
  - a) Is a trustee or co-trustee of that trust, and
  - b) Possesses a sufficient beneficial interest in the domicile through that trust. (Splitting the interest between multiple trusts does not qualify.)

## **ELIGIBILITY REQUIREMENTS AND EXEMPTION AMOUNTS / EACH CLAUSE**

Clause 22 - \$250.00 This exemption is available to the following classes of persons:

1. Veterans with a wartime service connected disability of 10% or more as determined by the Veterans Administration or the branch of service from which separated.
2. Veterans who have been awarded the Purple Heart.
3. Gold Star mothers and fathers.
4. Spouses (where the domicile is owned by the veteran's spouse) and surviving spouses (who do not remarry) of veterans entitled to exemption under Clause 22.
5. Surviving spouses (who do not remarry) of World War I veterans so long as their whole worth, less any mortgage on the property, does not exceed \$20,000.

Clause 22A - \$425.00 This exemption is available to veterans (and their spouses or surviving spouses) who:

1. Suffered in the line of duty the loss or permanent loss of use of one foot or one hand or one eye.
2. Received the Congressional Medal of Honor, Distinguished Service Cross, Navy Cross or Air Force Cross.

If the subject property is greater than a single family house, only that fraction of \$425 which corresponds to the segment occupied by the veteran will be allowed.

Clause 22B - \$775.00 This exemption is available to veterans (and their spouses or surviving spouses) who suffered in the line of duty the loss or permanent loss of use of both feet or both hands or both eyes.

If the subject property is greater than a single family house, only that fraction of \$775 which corresponds to the segment occupied by the veteran will be allowed.

Clause 22C - \$950.00

This exemption is available to veterans (and their spouses or surviving spouses) who (1) suffered total disability in the line of duty and (2) and who received assistance in acquiring "specially adapted housing" which they own and occupy as their domicile.

If the subject property is greater than a single family house, only that fraction of \$950 which corresponds to the segment occupied by the veteran will be allowed.

Clause 22D - \$250.00

This exemption is available to surviving spouses (who do not remarry) of soldiers and sailors who died in combat at the islands of Quemoy and Matsu.

Clause 22E - \$600.00 This exemption is available to veterans (and their surviving spouses) who suffered total disability in the line of duty and are incapable of working.

If the subject property is greater than a single family house, only that fraction of \$600 which corresponds to the segment occupied by the veteran will be allowed.

Paraplegic - Total Exemption

This exemption is available to veterans who are certified by the Veterans Administration as paraplegic and the surviving spouses of such veterans.

**WARTIME SERVICE**

Wartime service is service performed by a "Spanish War veteran," a "World War I veteran," a "World War II veteran," a "Korean veteran," a "Vietnam veteran," a "Lebanese peace keeping force veteran," a "Grenada rescue mission veteran," a "Panamanian intervention force veteran," a "Persian Gulf veteran," or a member of the "WAAC. " The dates for each qualifying military action are set out in G.L. Ch. 4 §7(43).

**FOR FURTHER INFORMATION,  
CONTACT YOUR LOCAL BOARD OF  
ASSESSORS, OR CALL:**

**DEPARTMENT OF REVENUE  
DIVISION OF LOCAL SERVICES  
PROPERTY TAX BUREAU**

**(617) 626-2300**

**(Rev. 8/2000)**

**TAXPAYER'S GUIDE TO  
REAL ESTATE TAX EXEMPTIONS  
IN MASSACHUSETTS**

**CLAUSE 22  
CLAUSE 22A  
CLAUSE 22B  
CLAUSE 22C  
CLAUSE 22D  
CLAUSE 22E  
PARAPLEGICS**

**QUALIFYING VETERANS**

**Massachusetts Department of Revenue  
Division of Local Services  
Property Tax Bureau**