

SENATE No. 1557

By Mr. Reilly, a petition (accompanied by bill, Senate, No. 1557) of Martin T. Reilly for legislation to further regulate property tax exemptions for the elderly. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Six.

AN ACT FURTHER REGULATING PROPERTY EXEMPTIONS FOR THE ELDERLY.

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 is
2 hereby amended by inserting after clause forty-first the fol-
3 lowing clause: —

4 *Forty-first B* — Real property to the amount of four thou-
5 sand dollars or taxable valuation or the sum of five hundred
6 dollars, whichever would amount in an exemption of the
7 greater amount of taxes due, of a person who has reached
8 his seventieth birthday prior to the fiscal year for which an
9 exemption is sought and occupied by said person as his domi-
10 cile, or of a person who owns the same jointly with his spouse,
11 either of whom has reached his seventieth birthday prior to
12 the fiscal year for which an exemption is sought and occupied
13 by them as their domicile, or for a person who has reached
14 his seventieth birthday prior to the fiscal year for which an
15 exemption is sought who owns the same jointly or as a tenant
16 in common with a person not his spouse and occupied by him
17 as his domicile; provided: (A) that such person (1) has been
18 domiciled in the commonwealth for the preceding ten years,
19 (2) has so owned and occupied such real property or other
20 real property in the commonwealth for five years, or (3) is
21 a surviving spouse who inherits such real property and has
22 occupied such real property in the commonwealth five years
23 and who otherwise qualified under this clause; (B) that such
24 person had in the preceding year gross receipts from all

25 sources of less than ten thousand dollars, or if married, com-
26 bined gross receipts with his spouse of less than twelve thou-
27 sand dollars; provided, however, that in computing the gross
28 receipts of an applicant under this clause ordinary business
29 expenses and losses may be deducted, but not personal or
30 family expenses; and provided, further, that there shall be de-
31 ducted from the total amount received by the applicant under
32 the federal social security or railroad retirement and from
33 any annuity, pension, or retirement plan established for em-
34 ployees of the United States government, the government of
35 the commonwealth, or the government of any city, town,
36 county, or special district, included in such gross receipts, an
37 amount equivalent to the minimum payment then payable
38 under said federal social security law, as determined by the
39 Commissioner of Revenue, to a retired worker seventy years
40 of age or over, if the applicant is unmarried, or to a retired
41 worker and spouse, both of whom are seventy years of age or
42 over, if the applicant is married; and (C) that such person
43 had a whole estate, real and personal, not in excess of twenty
44 thousand dollars, or if married, not in excess of twenty-three
45 thousand dollars, provided that real property occupied as his
46 domicile shall not be included in computing the whole estate
47 except for any portion of said property which produces in-
48 come, provided however that a taxpayer may, at his option,
49 elect to include the value of his whole estate. If such real
50 property is included in the whole estate, the value of the whole
51 estate shall not exceed sixty thousand dollars, or if married
52 sixty-five thousand dollars. Household furnishings and prop-
53 erty already exempt under the twelfth, twentieth, twenty-
54 first, and thirty-fifth clauses of this section shall not be in-
55 cluded in computing the whole estate. In the case of real
56 estate owned by a person jointly or as a tenant in common
57 with a person not his spouse, the amount of his exemption
58 under this clause shall be that proportion of four thousand
59 dollars valuation or the sum of five hundred dollars, which-
60 ever would result in an abatement of the greater amount of
61 taxes due, provided that no exemption shall be granted to any
62 joint tenant or tenant in common unless the gross receipts
63 from all sources whatsoever of each joint tenant or tenant in

64 common is less than fourteen thousand dollars or, if married,
65 the combined whole estate, real and personal of each joint
66 tenant in common and his spouse does not exceed eighteen
67 thousand dollars; and provided, further, that proportion of the
68 exemption shall be denied to any applicant otherwise qualified
69 for the reason that another joint tenant or tenant in common
70 receives a proportion of the total exemption. In determining
71 the total period of ownership of an applicant for exemption
72 under this clause, the time during which the same property
73 was owned by a husband or wife individually shall be added
74 to the period during which such property was owned by said
75 husband and wife jointly. Where a portion of the real prop-
76 erty occupied as a domicile of an applicant under this clause is
77 located within a municipality other than the municipality in
78 which the applicant is domiciled, and where the value of said
79 property, or the taxes, assessed by the municipality in which
80 such applicant is domiciled would result in his receiving less
81 than the maximum exemption provided by this clause, that
82 part of the property of such applicant within such other mu-
83 nicipality shall be exempt to a value, or to an amount of tax,
84 sufficient to grant the applicant the total maximum exemption
85 provided by the clause. Any person who receives an exemp-
86 tion under the provisions of this clause shall not receive an
87 exemption on the same property under any other provision of
88 this section except clause Eighteen.

1 SECTION 2. The commonwealth, commencing in fiscal year
2 nineteen hundred and eighty-one shall annually appropriate
3 a sum not to exceed seven million dollars for the purpose of
4 reimbursing municipalities for taxes abated under clause forty-
5 first of section five of chapter fifty-nine of the General Laws.
6 The commissioner of corporations and taxation shall divide
7 said sum by the number of clause forty-first exemptions
8 granted in the preceding year and distribute to each city and
9 town a pro rated share or said sum based on the number of
10 exemptions granted in each city and town.

1 SECTION 3. This act shall apply to taxes levied for the fiscal
2 year beginning July first, nineteen hundred and eighty-three
3 and thereafter.

