HOUSE . . . . . No. 3398

By Mr. Flaherty of Cambridge, petition of Charles F. Flaherty for legislation relative to exemptions from taxation of real property of certain elderly persons. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO REAL PROPERTY OF CERTAIN ELDERLY PERSONS.

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. Clause Forty-first of Section 5 of Chapter 59 of
2 the General Laws, as most recently amended by Section 4 of
3 Chapter 653 of the Acts of 1982, is hereby further amended by
4 striking out the last sentence of the last paragraph.

1 SECTION 2. Section 5 of Chapter 59 of the General Laws, as
2 most recently amended by Section 5 of Chapter 653 of the Acts
3 of 1982, is hereby amended by striking out Clause Forty-first
4 B and inserting in its place the following:
5 Real property, to the amount of four thousand dollars of tax-
6 able valuation or the sum of five hundred dollars, whichever
7 would amount in an exemption of the greater amount of taxes
8 due, of a person who has reached his seventieth birthday prior
9 to the fiscal year for which an exemption is sought and owned
10 and occupied by said person as his domicile, or of a person
11 who owns the same jointly with his spouse, either of whom has
12 reached his seventieth birthday prior to the fiscal year for
13 which an exemption is sought and occupied by them as their
14 domicile, or a person who has reached his seventieth birth-
15 day prior to the fiscal year for which an exemption is sought
16 who owns the same jointly or as a tenant in common with a
17 person not his spouse and occupied by him as his domicile;
18 provided: A) that such person had, in the preceding year
19 gross receipts from all sources of less than ten thousand
20 dollars, or if married, combined gross receipts with his spouse

21 of less than twelve thousand dollars, provided, however, that
22 in computing the gross receipts of an applicant under this
23 clause ordinary business expenses and losses may be
24 deducted, but not personal or family expenses, and provided,
25 further, that there shall, deducted from the total amount
26 received by the applicant under the federal Social Security or
27 railroad retirement and from any annuity, pension, or retire-
28 ment plan established for employees of the United States
29 government, the government of the commonwealth, or the
30 government of any city, town, county, or special district, in-
31 cluded in such gross receipts, an amount equivalent to the
32 minimum payment then payable under said federal Social
33 Security law, as determined by the commissioner of revenue,
34 to a retired worker seventy years of age or over, if the appli-
35 cant is unmarried, or to a retired worker and spouse, both of
36 whom are seventy years of age or over, if the applicant is mar-
37 ried; and B) that such person had a whole estate, real and per-
38 sonal, not in excess of twenty thousand dollars, or if married,
39 not in excess of twenty-three thousand dollars, provided that
40 real property occupied as his domicile shall not be included
41 in computing the whole estate except for any portion of said
42 property which produces income. In the case of real property
43 owned by a person jointly or as a tenant in common with a per-
44 son not his spouse, the amount of his exemption under this
45 clause shall be that proportion of four thousand dollars valua-
46 tion or the sum of five hundred dollars, whichever would result
47 in an exemption of the greater amount of taxes due, which the
48 amount of his interest in such property bears to the whole tax
49 due; provided: (A) that no exemption shall be granted to any
50 joint tenant or tenant in common unless the gross receipts
51 from all sources whatsoever of each joint tenant or tenant in
52 common is less than ten thousand dollars or, if married, the
53 combined gross receipts from all sources whatsoever of each
54 joint tenant or tenant in common and his spouse is less than
55 twelve thousand dollars, provided, however, that in computing
56 the gross receipts of an applicant under this clause ordinary
57 business expenses and losses may be deducted, but not per-
58 sonal or family expenses, and provided, further, that there
59 shall be deducted from the total amount received by the ap-
60 plicant under the federal Social Security or railroad retirement

61 and from any annuity, pension, or retirement plan establish-
62 ed for employees of the United States government, the govern-
63 ment of the commonwealth, or the government of any city,
64 town, county, or special district, included in such receipts, an
65 amount equivalent to the minimum payment then payable
66 under said federal Social Security law, as determined by the
67 commissioner of revenue, to a retired worker seventy years
68 of age or over, if the applicant is unmarried, or to a retired
69 worker and spouse, both of whom are seventy years of age or
70 over, if the applicant is married; and (B) that the combined
71 whole estate, real and personal, of each joint tenant or tenant
72 in common is less than twenty thousand dollars or, if married,
73 the combined whole estate, real and personal of each joint ten-
74 ant or tenant in common and his spouse does not exceed
75 twenty-three thousand dollars, provided that real property oc-
76 cupied as their domicile shall not be included in computing
77 the whole estate except for any portion of said property which
78 produces income. No proportion of the exemption shall be
79 denied to any applicant otherwise qualified for the reason that
80 another joint tenant or tenant in common receives a propor-
81 tion of the total exemption. Household furnishings and proper-
82 ty already exempt under the twelfth, twentieth, thirty-first,
83 and thirty-fifth clauses of this section shall not be included in
84 computing the whole estate for purposes of this section. Where
85 a portion of the real property occupied as a domicile of an ap-
86 plicant under this clause is located within a municipality other
87 than the municipality in which the applicant is domiciled, and
88 where the value of said property, or the taxes, assessed by the
89 municipality in which such applicant is domiciled would result
90 in his receiving less than the maximum exemption provided
91 by this clause, that part of the property of such applicant
92 within such other municipality shall be exempt to a value, or
93 to an amount of tax, sufficient to grant the applicant the total
94 maximum exemption provided by the clause. This clause shall
95 take effect upon its acceptance by any city or town. In those
96 cities and towns which accept the provisions of this clause, the
97 provisions of clause Forty-first shall not be applicable.