

By Mr. Serra of Boston, petition of Emanuel G. Serra relative to the taxation of real property of certain elderly persons. Taxation.

The Commonwealth of Massachusetts

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

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 B
4 and inserting in its place the following: —

5 Real property, to the amount of four thousand dollars of
6 taxable 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 and his domicile, or of a person who
11 owns the same jointly with his spouse, either of whom has reached
12 his seventieth birthday prior to the fiscal year for which an
13 exemption is sought and occupied by them as their domicile, or
14 a person who has reached his seventieth birthday prior to the fiscal
15 year for which an exemption is sought who owns the same jointly
16 or as a tenant in common with a person not his spouse and
17 occupied by him as his domicile; provided: A) that such person
18 had, in the preceding year gross receipts from all sources of less
19 than ten thousand dollars, or if married, combined gross receipts
20 with his spouse of less than twelve thousand dollars, provided,

21 however, that in computing the gross receipts of an applicant
22 under this clause ordinary business expenses and losses may be
23 deducted, but not personal or family expenses, and provided,
24 further, that there shall be deducted from the total amount
25 received by the applicant under the federal social security or
26 railroad retirement and from any annuity, pension, or retirement
27 plan established for employees of the United States government,
28 the government of the commonwealth, or the government of any
29 city, town, county, or special district, included in such gross
30 receipts, an amount equivalent to \$1,940.40 for a person, or if
31 married, \$2,910.60 for the fiscal year 1983 in which an exemption
32 is sought which is an amount equivalent to the minimum payment
33 then payable under the federal social security law; in each
34 subsequent year the commissioner of revenue shall increase these
35 equivalent amounts based on fiscal year 1983 minimum payments
36 payable under said social security law by 5% over the previous
37 year's minimum amounts, to a retired worker seventy years of age
38 or over, if the applicant is unmarried, or to a retired worker and
39 spouse, both of whom are seventy years of age or over, if the
40 applicant is married; and B) that such person had a whole estate,
41 real and personal, not in excess of twenty thousand dollars, or
42 if married, not in excess of twenty-three thousand dollars,
43 provided that real property occupied as his domicile shall not be
44 included in computing the whole estate except for any portion of
45 said property which produces income. In the case of real property
46 owned by a person jointly or as a tenant in common with a person
47 not his spouse, the amount of his exemption under this clause shall
48 be that proportion of four thousand dollars valuation or the sum
49 of five hundred dollars, whichever would result in an exemption
50 of the greater amount of taxes due, which the amount of his
51 interest in such property bears to the whole tax due; provided:
52 (A) that no exemption shall be granted to any joint tenant or
53 tenant in common unless the gross receipts from all sources
54 whatsoever of each joint tenant or tenant in common is less than
55 ten thousand dollars or, if married, the combined gross receipts
56 from all sources whatsoever of each joint tenant or tenant in
57 common and his spouse is less than twelve thousand dollars,
58 provided, however, that in computing the gross receipts of an
59 applicant under this clause ordinary business expenses and losses

60 may be deducted, but not personal or family expenses, and
61 provided, further, that there shall be deducted from the total
62 amount received by the applicant under the federal social security
63 or railroad retirement and from any annuity, pension, or
64 retirement plan established for employees of the United States
65 government, the government of the commonwealth, or the
66 government of any city, town, county, or special district, included
67 in such receipts, an amount equivalent to \$1,940.40 for a person,
68 or if married, \$2,910.60 for the fiscal year 1983 in which an
69 exemption is sought which is an amount equivalent to the
70 minimum payment then payable under the federal social security
71 law; in each subsequent year the commissioner of revenue shall
72 increase these equivalent amounts based on fiscal year 1983
73 minimum payments payable under said social security law by 5%
74 over the previous year's minimum amounts, to a retired worker
75 seventy years of age or over, if the applicant is unmarried, or to
76 a retired worker and spouse, both of whom are seventy years of
77 age or over, if the applicant is married; and (B) that the combined
78 whole estate, real and personal, of each joint tenant or tenant in
79 common is less than twenty thousand dollars or, if married, the
80 combined whole estate, real and personal of each joint tenant or
81 tenant in common and his spouse does not exceed twenty-three
82 thousand dollars, provided that real property occupied as their
83 domicile shall not be included in computing the whole estate
84 except for portion of said property which produces income. No
85 proportion of the exemption shall be denied to any applicant
86 otherwise qualified for the reason that another joint tenant or
87 tenant in common receives a proportion of the total exemption.
88 Household furnishings and property already exempt under the
89 twelfth, twentieth, thirty-first, and thirty-fifth clauses of this
90 section shall not be included in computing the whole estate for
91 purposes of this section. Where a portion of the real property
92 occupied as a domicile of an applicant under this clause is located
93 within a municipality other than the municipality in which the
94 applicant is domiciled, and where the value of said property, or
95 the taxes, assessed by the municipality in which such applicant
96 is domiciled would result in his receiving less than the maximum
97 exemption provided by this clause, that part of the property of
98 such applicant within such other municipality shall be exempt to

99 a value, or to an amount of tax, sufficient to grant the applicant
100 the total maximum exemption provided by the clause. This clause
101 shall take effect upon its acceptance by any city or town. In those
102 cities and towns which accept the provisions of this clause, the
103 provisions of clause Forty-first shall not be applicable.