

HOUSE No. 4473

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 27, 2020.

The committee on Revenue, to whom was referred the joint petition (accompanied by bill, House, No. 3681) of Paul F. Tucker and Joan B. Lovely (with the approval of the mayor and city council) that the city of Salem be authorized to establish a means-tested senior citizen property tax exemption, reports recommending that the accompanying bill (House, No. 4473) ought to pass [Local Approval Received].

For the committee,

MARK J. CUSACK.

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**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act authorizing the city of Salem to establish a means-tested senior citizen property tax exemption.

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. (a) Notwithstanding any general or special law to the contrary, and subject
2 to sections b to e, inclusive, the city of Salem shall reduce the property taxes due on a qualifying
3 property by the amount equal to fifty percent of the amount of the circuit breaker income tax
4 credit, provided under subsection (k) of section 6 of chapter 62 of the General Laws, that the
5 applicant received in the year prior to the application being filed, except that there shall be a
6 dollar cap on the total exemptions granted pursuant to this act equal to 0.5 per cent of the fiscal
7 year's total residential property tax levy for the city of Salem with the total exemption amount
8 granted pursuant to this act allocated proportionally within the tax levy on all residential
9 taxpayers. In the event that the dollar cap is reached, a reduction shall be reduced proportionally.
10 The property taxes due on such property shall not be reduced below zero. This reduction shall
11 not be in addition to any exemption allowable under the General Laws. For the purposes of this
12 act, "parcel" shall mean a unit of real property as defined by the assessors under the deed for the
13 property and shall include a condominium unit.

14 (b) Real property shall qualify for the exemption under this act if all of the following
15 criteria are met:

16 (i) the qualifying real property is owned and occupied by a person who qualified and
17 received the circuit breaker income tax credit the previous year under subsection (k) of section 6
18 of chapter 62 of the General Laws;

19 (ii) the qualifying real property is owned by a single applicant age 65 or older at the close
20 of the previous year or owned jointly by persons either of whom is age 65 or older at the close of
21 the previous year and if the joint applicant is 60 years of age or older;

22 (iii) the qualifying real property is owned and occupied by the single applicant or by the
23 joint applicants as their domicile;

24 (iv) the single applicant or at least 1 of the joint applicants has been domiciled and owned
25 a home in the city of Salem for at least the 10 consecutive years preceding the filing of the
26 application for the exemption;

27 (v) the maximum prior year assessed value of the domicile is not greater than the prior
28 year's maximum assessed value for qualification for the circuit breaker income tax credit under
29 subsection (k) of section 6 of chapter 62 of the General Laws as adjusted annually by the
30 department of revenue; and

31 (vi) the board of assessors has approved the application.

32 (c) A person who seeks to qualify for the exemption under this act shall, before the
33 deadline established by the board of assessors, file an application, on a form to be adopted by the
34 board of assessors along with the supporting documentation of the filed income tax return of the

35 applicant showing the circuit breaker tax credit. The application shall be filed each year for
36 which the applicant seeks the exemption.

37 (d) No exemption shall be granted under this act until the department of revenue certifies
38 a residential tax rate for the applicable tax year where the total exemption amount is raised by a
39 burden shift within the residential tax levy.

40 (e) The exemption provided for in this act shall expire after 3 years of implementation,
41 provided, however, that the city of Salem may reauthorize the exemption for additional 3-year
42 intervals by a vote of the city council.

43 SECTION 2. This act shall take effect upon its passage.