

Circumstances Which Allow Assessors To Exercise Abatement Authority

Where assessors possess jurisdiction to make abatements, they may exercise that authority in the following circumstances:

A Vehicle Is Overvalued

As is explained in Chapter 1 of this manual, Ch. 60A §1 of the General Laws sets out the procedure whereby motor vehicles are to be valued for the purpose of the excise. This procedure is based upon the manufacturer's list price for that vehicle, discounted by the designated percentage which accords with the age of the vehicle. However, the statute permits the assessors to abate that value if, in their opinion, the value so determined is excessive.

Assessors should rarely exercise this abatement authority and, then, only in the case of some extraordinary circumstance unique to a particular vehicle. If, for example, a vehicle were substantially damaged due to an accident or other cause and were not repaired, the assessors could lawfully abate its value.

In the absence of some extraordinary circumstance, however, a value properly calculated should not be altered because valuing all motor vehicles using a uniform procedure ensures equity and regularity in the assessment process.

A Registrant Transfers Title To A Vehicle And Cancels The Registration On That Vehicle

Ch. 60A §1 makes an abatement available if “during a calendar year ownership of a motor vehicle...is transferred by sale or otherwise and its registration is surrendered. Two actions are necessary for qualification for this abatement eligibility. A vehicle owner must both (a) convey title to the vehicle and (b) cancel the registration on that vehicle. The performance of one of these actions, alone, does not qualify a person for an abatement. *Therefore, a person who cancels the registration on a vehicle during a calendar year but does not convey title to the vehicle is not entitled to an excise abatement for many part of that year.* For the succeeding fiscal year, the vehicle should be assessed as personal property. See Chapter 2, “Liability of motor vehicles for a personal property tax.”

A transfer of title may be made by gift, sale, repossession or any other action which conveys ownership from the registrant to some other person. In processing an application for abatement under this provision, assessors should require that they be presented with a copy of a bill of sale or some other document which establishes that a transfer has occurred. If a registrant claims abandonment of a vehicle at a junk yard or some other place of disposition, that registrant must present evidence thereof, such as a receipt from the owner of the junk yard. If an insured vehicle is totaled in an accident and settlement is made for the full value of the vehicle, title passes to the insurance company by right of subrogation (legal doctrine of substituting one creditor for another). In such a case, the month the insurance company makes payment to the insured is the month that title transferred.

Generally, the assessors should require a plate return receipt to show evidence of cancellation of registration. However, in some circumstances, such as when a vehicle is totaled in an accident and the vehicle is removed to a junk yard, it may not be possible for the owner to retrieve the plates. In such circumstances, the registrant should cancel the registration on that vehicle using Registry of Motor Vehicle Form C19 (See copy in Appendix.). Filing this form with the Registry will eliminate future billings on the vehicle. Otherwise, excise bills will issue until the registration expires.

Whenever the performance of more than one activity is required to establish eligibility for an abatement, the proper date for use in calculating the amount of the abatement is that date when the final one of the activities is performed.

A Registrant Moves Out Of State And Registers In Some Other State Or Country

A registrant is eligible for an excise abatement who “during a calendar year...removes to another state and registers such motor vehicle or trailer in such other state and surrenders or does not renew his registration in this state.” (G.L. Ch. 60A §1. Emphasis supplied.) As above, two actions are also necessary for abatement eligibility under this provision. A person must have (1) registered his/her vehicle in some other state and (2) surrendered his/her Massachusetts registration.

Although, assessors should generally require a person to present to them a plate return receipt as evidence of cancellation of his/her Massachusetts registration, this requirement should be abandoned in the case of a state (e.g., Arizona and California) which, when issuing a registration, confiscates the plates of any other state in which the vehicle may be registered at the time. In such a case, proof of registration in that state is sufficient evidence of the registrant's cancellation of his/her Massachusetts registration. The date of registration in the other state could appropriately be deemed the date of surrender of the Massachusetts registration for purposes of the relevant abatement provision under Ch. 60A §1. Of course, if a person does not cancel his/her registration in Massachusetts using a Form C19, excise bills will continue to issue until the registration expires.

A Person Cancels The Registration On A Vehicle And Subsequently Reregisters That Vehicle In The Same Year

No excise shall be due if assessed on the same vehicle more than once in any calendar year by reason of the reregistration of that vehicle, except as outlined above in the case of a transfer of that vehicle or a move out of the state by its owner. If a person cancels the registration on a motor vehicle in any particular year but does not transfer title to that vehicle or does not move to some other state and register the vehicle in the other state and the person subsequently reregisters the vehicle in the same year, the excise imposed for the months of the second registration should be abated. Otherwise, the person would be liable for two excises on the same vehicle for the same year.

A Person Sells Or Trades A Motor Vehicle, Cancels The Registration On That Vehicle And Subsequently Transfers The Registration To Some Other Vehicle In Same Month

If a person sells or trades a vehicle, cancels the registration on that vehicle and transfers that registration to another motor vehicle in the month of cancellation, the excise may be fully abated on the transferred vehicle for that month. Otherwise, the person would be liable for two excises on the same registration for the same month.

If such a transfer occurs during January, the registrant is eligible for a full abatement on the transferred vehicle. The registrant is *not* liable for a minimum \$5.00 assessment on this transferred vehicle. Rather, the minimum excise liability shifts to the second vehicle.

A Vehicle Is Stolen

A. A registrant is eligible for an abatement of the excise on a vehicle which is stolen, provided that the registrant:

1. notifies the police within 48 hours of discovery of the theft,
2. surrenders the certificate of registration (not sooner than 30 days after the theft), and
3. presents a certificate of cancellation of registration from the Registrar of Motor Vehicles verifying that the vehicle has been stolen. If the plates are lost with the stolen vehicle, the registrar will issue a Form C19, "Lost Plate Affidavit for Cancellation of Registration." The abatement will be issued for the months following the month of cancellation of the certificate of registration.

B. Vehicle Subsequently Recovered

If a motor vehicle which had been stolen and for which an abatement of the excise has been granted is subsequently recovered and registered in the same calendar year by the same owner, that owner is liable to pay a proportionate part of the excise for those months of the remaining year.

C. False Report of the Theft of a Motor Vehicle

If a registrant makes a false report of the theft of a motor vehicle and seeks or obtains, thereby, an abatement of the excise on that vehicle, the registrant is subject to a penalty of up to three times the excise due on the vehicle for the entire year. To recover this penalty, the city or town to which the excise was payable must bring a civil action against the registrant.