



# Bulletin

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2009-23B

## **FISCAL YEAR 2010 TAX BILL OPTIONS**

TO: Assessors, Collectors, Treasurers, Accountants, Auditors, Selectmen, Mayors and Managers

FROM: Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

DATE: December 2009

SUBJECT: Fiscal Year 2010 Tax Bill Mailing Extension and Options

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This *Bulletin* explains just signed local option legislation that extends the time for mailing fiscal year 2010 actual tax bills in communities that have accepted the quarterly tax payment system, or semi-annual preliminary tax payment system, under G.L. c. 59, § 57C. St. 2009, c. 183. This legislation is effective immediately and provides an alternative to issuing third quarter preliminary bills in some quarterly tax billing communities where actual billing is delayed. The *Bulletin* also explains options available to avoid or limit borrowing in anticipation of revenue in communities that issue semi-annual tax bills under G.L. c. 59, § 57.

### **QUARTERLY AND SEMI-ANNUAL PRELIMINARY PAYMENT SYSTEM COMMUNITIES**

Ordinarily, communities using the quarterly tax payment system, or semi-annual preliminary tax payment system, under local option G.L. c. 59, § 57C would have to mail their FY10 actual tax bills by December 31, 2009 in order to maximize the cash flow and other benefits of those systems. For FY10, however, that deadline is January 30, 2010.

### **Acceptance**

The mailing extension only applies in communities that accept the legislation. Acceptance is by majority vote of the city or town council, subject to the municipal charter, or the board of selectmen. The following or similar language may be used:

VOTED: That the city/town of \_\_\_\_\_ accept Chapter 183 of the Acts of 2009 to extend the time for mailing the actual tax bills for fiscal year 2010 until January 30, 2010.

## **Payments**

**Quarterly Payment System Communities** – If the FY10 actual tax bills are mailed on or before January 30, 2010, the balance owed for the year is still payable in two equal installments. The first installment (third quarter) is due February 1, 2010, or 30 days after the bills are mailed if later. The second installment (fourth quarter) is due May 1, 2010. Actual tax bills mailed after January 30, 2010 are payable in a single installment due May 1, 2010, or 30 days after the bills are mailed if later.

**Semi-annual Preliminary Payment System Communities** - If the FY10 actual tax bills are mailed on or before January 30, 2010, the balance owed for the year is still due on April 1, 2010. Actual tax bills mailed after January 30, 2010 are due May 1, 2010, or 30 days after the bills are mailed if later.

## **Abatement and Exemption Applications**

Abatement applications are due the same day the first actual tax bill installment is due. G.L. c. 59, § 59. Applications for personal exemptions and the residential exemption are due three months after the actual tax bills are mailed. Applications for all other exemptions are due the same day as abatement applications.

**Quarterly Payment System Communities** – If the FY10 actual tax bills are mailed on or before January 30, 2010, abatement applications are due February 1, 2010, or 30 days after the bills are mailed if later. If the bills are mailed after January 30, 2010, the applications are due May 1, 2010, or 30 days after mailing if later.

**Semi-annual Preliminary Payment System Communities** - If the FY10 actual tax bills are mailed on or before January 30, 2010, abatement applications are due April 1, 2010. If the bills are mailed after January 30, 2010, the applications are due May 1, 2010, or 30 days after mailing if later.

## **Taxpayer Notification**

If tax bills are mailed on or before January 30, 2010, a notice alerting taxpayers of the change in the usual mailing schedule and due dates should be printed on the actual bill, or provided in a stuffer. The *following or other similar language* should be sufficient notice:

### **Quarterly Payment System Communities**

IMPORTANT NOTICE. The due dates for actual third quarter tax payments and abatement applications for fiscal year 2010 are stated on the front of this bill. Please disregard the dates shown on the reverse side for bills mailed after December 31, 2009. The Legislature enacted an exception to the usual schedule for this fiscal year.

### **Semi-annual Preliminary Payment System Communities**

IMPORTANT NOTICE. The due date for actual tax payments and abatement applications for fiscal year 2010 tax bills is April 1, 2010. Please disregard the dates shown on the reverse side for bills mailed after December 31, 2009. The Legislature enacted an exception to the usual schedule for this fiscal year.

We also recommend that information about the new dates be included in any public information announcements made about your tax bills.

### **Third Preliminary Tax Bill**

Quarterly communities unable to issue FY10 actual tax bills by January 30, 2010 for valuation related reasons may, after authorization from the Department of Revenue, issue third quarter preliminary tax bills to avoid or limit borrowing in anticipation of revenue. Please refer to Section IV of [Informational Guideline Release 09-204, Fiscal Year 2010 Tax Bills Quarterly Payment System](#), for information about authorization and issuance procedures.

### **SEMI-ANNUAL PAYMENT SYSTEM COMMUNITIES**

The semi-annual tax payment system under G.L. c. 59, § 57 contemplates mailing actual tax bills by October 1, with the first half due on November 1 and second half due on May 1. Semi-annual communities unable to issue FY10 actual tax bills on or near that schedule for valuation related reasons may, after authorization from the Department of Revenue, issue preliminary tax bills to avoid or limit borrowing in anticipation of revenue. Please refer to [Informational Guideline Release 09-202, Fiscal Year 2010 Tax Bills Semi-annual Payment System - Optional Preliminary Bills](#), for information about authorization and issuance procedures.