

# SENATE NO. 1789

## **AN ACT** RELATIVE TO PROPERTY TAX RELIEF FOR SENIOR CITIZENS

*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. Section 2A(b) of chapter fifty-nine is amended by adding the following new  
2 paragraph:

3 “Class one A, Senior Primary Residence”, property used or held for human  
4 habitation containing one or more dwelling units designed and used for living,  
5 sleeping, cooking and eating on a non-transient basis, including without  
6 limitation a single family residence, condominium, multi-family home of not  
7 more than 2 units, or bed and breakfast home with no more than three rooms  
8 for rent.. Such property includes accessory land, buildings or improvements  
9 incidental to such habitation and used exclusively by the residents of the  
10 property or their guests. Such property shall include a dwelling unit owned and  
11 occupied by an individual taxpayer or by joint married taxpayers as the  
12 principal residence and domicile of the taxpayer(s) for income tax purposes;  
13 the individual taxpayer or one or both of the joint married taxpayers shall be  
14 recipients of Social Security retirement benefits or a government pension; such  
15 benefits must represent at least seventy-five percent of the total income derived  
16 by the individual taxpayer or joint married taxpayers from all sources; and the

17 total assets held by the individual taxpayer or joint married taxpayers shall be  
18 limited to \$150,000 not including the value of said primary residence.

19 SECTION 2. Section 5(C) of chapter fifty-nine is amended by adding the following  
20 new second paragraph:

21 Section 5C. In any city or town which is certified by the commissioner to  
22 be assessing all property at its full and fair cash valuation, the board of  
23 selectmen of a town or in a municipality having a town council form of  
24 government, the town council, or the mayor with the approval of the city  
25 council in a city may establish a program to allow an annual exemption  
26 from local property tax on a Class one A, Senior Primary Residence, equal  
27 to the difference between the full amount of property tax due and an  
28 amount of tax being equal to the previous year's tax bill indexed by the rate  
29 of increase granted by the Social Security Administration, the "Senior  
30 Adjusted Tax", provided that the sum of all exclusions granted by a city or  
31 town under this section for any tax year shall not exceed more than twenty-  
32 five per cent of the assessed value of all Class One, residential, parcels  
33 within such city or town. This exemption shall be in addition to any  
34 exemptions allowable under section five; provided, however, that in no  
35 instance shall the taxable valuation of such property after all applicable  
36 exemptions be reduced below fifty per cent of its full and fair cash  
37 valuation, except through the applicability of section eight A of chapter  
38 fifty-eight and of clause eighteenth of section five. Where, under the  
39 provisions of section five, the exemption is based upon an amount of tax

40 rather than on valuation, the reduction of taxable valuation for purposes of  
41 the preceding sentence shall be computed by dividing the said amount of  
42 tax by the residential class tax rate of the city or town and multiplying the  
43 result by one thousand dollars. Under said program, the total amount of the  
44 exemptions granted may shifted to any single class or multiple classes of  
45 property, within said city or town, provided that the percentage of tax levy  
46 imposed on any single class of property shall not exceed 1.75 times the  
47 amount imposed under full and fair cash valuation of all taxable property.  
48 For purposes of this paragraph, "parcel" shall mean a unit of real property  
49 as defined by the assessors in accordance with the deed for such property  
50 and shall include a condominium unit and ownership shall be defined by  
51 the deed for such property.

52 SECTION 3. Section 5, clause seventeenth D of chapter fifty-nine is amended as  
53 follows:

- 54 • By substituting “seven hundred and fifty dollars” for “one hundred and  
55 seventy five dollars” in line 2 of paragraph first and line 10 of paragraph  
56 second;
- 57 • By substituting “sixty-five” for “seventy” in line 8 of paragraph first; and
- 58 • By substituting “one hundred thousand dollars” for “forty thousand dollars”  
59 in line 12 of paragraph first.

60 SECTION 4. Section 5, clause thirty-seventh A of chapter fifty-nine is amended by  
61 substituting “one thousand dollars” for “five hundred dollars” in line one.

62 SECTION 5. Section 5, clause forty-first A of chapter fifty-nine is amended as  
63 follows: by substituting the “Federal Discount Rate as set forth on November 1 of  
64 each fiscal year for those communities issuing semi-annual property tax bills or  
65 January 1 of each year for those communities issuing quarterly property tax bills ”  
66 for “rate provided in section sixty-two of chapter sixty” in lines 133 and 134.

67 SECTION 6. Section 5, clause forty-first C of chapter fifty-nine is amended as  
68 follows:

69 - By substituting “one hundred thousand dollars of taxable valuation or the sum of one  
70 thousand five hundred dollars” for “four thousand dollars of taxable valuation or the sum of  
71 five hundred dollars” in lines 1-2 and 38.

72 - By substituting “thirty” for “thirteen” and “forty” for “fifteen” with reference to gross  
73 receipts in lines 17-18,

74 - By substituting “one hundred fifty thousand dollars” for “twenty-eight thousand  
75 dollars” and “thirty thousand dollars” with reference to whole estate in line 32, 43,  
76 45, 59 and 61.