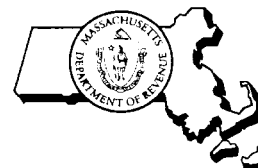


Massachusetts Department of Revenue *Division of Local Services*

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Local Tax Benefits

Veterans and Active Servicemembers

Prepared for Local Veteran's Service Officers Annual Training
February 2009

PROPERTY TAX EXEMPTION/DEFERRAL ELIGIBILITY BASICS

All Eligibility Factors Determined as of July 1

- **APPLICANT MUST OWN THE PROPERTY**
 - If veteran does not own the property, spouse who is owner can apply based on veteran meeting all other qualifications.

- **APPLICANT MUST OCCUPY THE PROPERTY AS HIS/HER DOMICILE**
 - While the veteran is alive, veteran must also be domiciled in the property.

- **VETERAN MUST MEET STATUS REQUIREMENTS**
 - If the veteran is deceased, disability status is fixed as of time of death.

- **APPLICANT MUST APPLY ANNUALLY BY DEADLINE AND DOCUMENT ELIGIBILITY**
 - Deadline is December 15, or 3 months after actual bills are issued if later

LOCAL TAX EXEMPTIONS AND DEFERRALS

1.0 PERSONAL EXEMPTION OVERVIEW

1.1 Exemptions

An exemption is a release or discharge from the obligation to pay all or a portion of a local property tax. Exemptions are established by the legislature for particular categories of property or persons and are generally found in General Laws Chapter 59, Section 5. Exemption is a privilege and any claimant must demonstrate that he or she clearly qualifies.

There are several categories of individuals who may qualify for tax exemptions or deferrals because of their personal status. For each personal exemption, there are specific clauses, or locally adopted optional clauses, in General Laws Chapter 59, Section 5 that establish the exemption amount, eligibility requirements and state reimbursement procedures. Local option clauses are accepted by vote of the municipality's legislative body, except for the senior exemption under Clause 41C½, which is accepted by referendum at a regular municipal election.

1.2 General Eligibility Requirements

1.2.1 Qualification Date

Exempt status is determined as of July 1. A person must meet the ownership, domicile, age or any other eligibility criteria as of that date.¹

1.2.2 Annual Application

A person seeking a personal exemption or deferral for a fiscal year must apply to the assessors for that year. The application must be made on a DOR approved form. The application for exemptions for seniors under local option Clause 41C½ is due the same date as abatement applications for the year. All other personal exemption applications are due December 15, or three months after the actual bill for the year is mailed, whichever is later.²

Exemption applications may only be inspected by the assessors and their staff, DOR, other state and local officials in the performance of official duties, and designated private auditors.³ The application includes any supporting documentation submitted to substantiate the claim. However, the exemption record book, which identifies the taxpayers granted exemptions and the exemption amounts, is a public record and is open to mandatory disclosure under the public records law.⁴

1.2.3 Taxpayer Entitlement

Assessors must grant the exemption or deferral to all applicants who meet the eligibility requirements, unless the applicant is seeking a financial hardship exemption or deferral where the assessors have discretion to establish eligibility criteria.⁵ Applicants must provide any documentation that is necessary to demonstrate that they qualify.

Assessors have three months from the date they receive an application to grant or deny the exemption.⁶ The three-month action period can be extended by consent of the taxpayer. The application is deemed denied if the assessors do not act within the three month, or extended, action period.⁷

Applicants denied any exemption or deferral, except those for financial hardship, may appeal to the state Appellate Tax Board, or the county commissioners if they live in a county where county government has not been abolished. The appeal must be filed within three months of the date the exemption was denied, or deemed denied if the assessors did not act.

1.2.4 Ownership

An applicant must have an ownership interest in the property on July 1. The applicant can be the sole owner or own the property with others. If there are multiple owners, some exemptions establish a minimum value that the applicant's ownership interest must meet to qualify, which is generally easily satisfied. Some exemptions also have durational ownership requirements, *i.e.*, the applicant must have owned the property, or other property in Massachusetts, for a period of time. Table 1 summarizes the basic ownership requirements for personal exemptions.

1.2.4.1 Life Estates

An applicant who holds a life estate in a property is the owner of that property for property tax purposes, including exemptions.⁸

A life estate creates two interests in real estate: (1) a present, possessory interest, held by the life tenant, that has its duration measured by the life or lives of one or more persons, and (2) a future interest, held by the remainderman. The life tenant has the exclusive right to possession, use and enjoyment of the property and is considered the owner during the life estate. When the estate ends, the remainderman takes possession and is the owner.

1.2.4.2 Trusts

An applicant who holds a record legal interest and sufficient beneficial interest in a trust is the owner for exemption purposes of property that is part of the assets of that trust.⁹ An applicant must be a trustee and beneficiary of the trust to satisfy this requirement.

A trust is a form of ownership in which one person holds legal title to property and has a fiduciary obligation to hold or use it for the benefit of another. A trust divides the interest in property into two interests: (1) a legal interest, held by the trustee, and (2) a beneficial interest, held by the beneficiary.

1.2.5 Domicile

An applicant must occupy the property as his or her domicile on July 1. Some exemptions also have durational domiciliary requirements, *i.e.*, the applicant must have been domiciled in the property, or other property in Massachusetts, for a

period of time. Table 1 summarizes the basic domiciliary requirements for personal exemptions.

Domicile is the place where the applicant has his or her principal and legal home, is the place where family, social, civic and economic life is centered and where the applicant plans to return whenever he or she is away. Indicators of domicile include where the applicant votes, registers a car, spends most of his or her time, replies to the census, files tax returns from and has ties to the community, such as where the applicant's spouse and children live and where memberships in churches, clubs and social organizations, and where bank accounts, are maintained.

1.2.6 Status

1.2.6.1 Veteran

A certificate from the United States Department of Veterans Affairs (VA), or the branch of service from which the service person was discharged, establishes status as a disabled veteran. Other information regarding military service that relates to eligibility for a veteran exemption, such as residency before enlistment, service period, military decorations and honorable discharge, is obtained from the service person's discharge papers.

1.2.6.2 Surviving Spouse

A surviving spouse is a person who was married to the decedent at the time of his or her death and for most exemptions, has never remarried. For some exemptions for disabled veterans, remarriage does not have an effect on survivorship status.

1.2.6 Multiple Exemptions

1.2.6.1 Taxpayers

A taxpayer who receives a personal exemption may not receive another exemption on the property with the exception of a Clause 18 hardship exemption or Clause 45 exemption for solar or wind-powered improvements to the property.¹⁰ If a taxpayer qualifies for more than one personal exemption, the assessors should grant the exemption that provides the greatest benefit.

A taxpayer may receive a personal exemption and defer the balance of the tax if he or she also qualifies for a Clause 41A senior or Clause 18A financial hardship deferral.

1.2.6.2 Co-owners

If two or more co-owners of a property qualify for different exemptions, they may receive the exemption for which each co-owner qualifies. If they qualify for the same exemption, however, only one may receive it¹¹ with the following exceptions:

- **Clause 22 (veterans)** - If both spouses qualify, each receives the full exemption.

- **Clauses 41, 41B, 41C (seniors)** - If two or more co-owners who are not married to each other qualify, each will receive an exemption equal to the percentage of his or her ownership interest in the property.

1.3 **Optional Additional Exemption**

By local option, a municipality may grant an additional exemption to all taxpayers who qualify for any personal exemption, except seniors receiving a Clause 41C½ exemption.¹² The additional exemption may be set at any percentage up to 100 percent of the personal exemption amount. The percentage increase must be uniform for all exemptions. The additional exemption cannot reduce the applicant's tax to less than the tax owed for the previous fiscal year.

Example

The municipality votes to adopt an additional optional exemption of 100% for the fiscal year. An applicant for a Clause 22 veterans' exemption would receive an exemption of \$400 and an additional exemption of up to \$400, for a total possible exemption of \$800.

The applicant's tax after exemption last year was \$2,000. This year's tax before exemption is \$2,900. The applicant receives the full \$800 exemption.

If this year's tax is \$2,700, however, the applicant would only receive an exemption of \$700.

This option is an annual decision and must be approved by town meeting, or the mayor with the approval of the city council in a city. The decision to grant the additional exemption must be made before the approval of the tax rate for the year.

1.4 **Minimum Tax**

No exemption can reduce the amount of tax paid to less than 10 percent of the total tax bill.¹³ If the application of any exemption would result in a tax of less than the 10 percent minimum due, the total exemption cannot be allowed. Exceptions are Clause 18 hardship exemptions and the full exemptions granted to paraplegic veterans and their surviving spouses, and the surviving spouses and minor children of a firefighter or police officer killed in the line of duty.

1.5 **State Reimbursement**

The Commonwealth reimburses municipalities for loss of tax revenue due to personal exemptions. Table 2 summarizes the reimbursements for the different exemptions.

Assessors must report the exemptions granted to DOR each year in order for their municipality to be reimbursed.¹⁴ The reports are submitted to the Municipal Data Bank. Assessors should submit the reports as soon as possible after all exemption applications have been processed. Reimbursements are subject to annual appropriation and any balances revert to the state's general fund on August 30.

2.0 PROPERTY TAX EXEMPTIONS

2.1 Veteran Exemptions (Clauses 22, 22A, 22B, 22C, 22D and 22E)

Peacetime and wartime veterans who meet certain durational domiciliary requirements and were not dishonorably discharged may be eligible for exemptions ranging from \$400 to the full tax under Clauses 22, 22A, 22B, 22C, 22D and 22E.¹⁵ Depending on the clause, if the spouse, not the veteran, holds ownership of the veteran's domicile, the spouse may be eligible for the exemption instead. Some of the exemptions are available to surviving spouses and parents. Some surviving spouses may receive the exemption even if they remarry. Table 3 summarizes who may apply for exemption under each clause. To be a veteran, the person must meet certain active duty service requirements, which are summarized in Table 4.¹⁶

2.1.1 Domicile

Veterans must (1) have been domiciled in Massachusetts at least six months before entering the service, or (2) have been domiciled in Massachusetts at least five years before applying for the exemption.

To qualify for a Clause 22D exemption, surviving spouses of servicemembers or guardsmen who died as a result of injuries or disease sustained in a combat zone or are presumed dead due to service in a combat zone (1) must have been domiciled in Massachusetts for at least five years before applying for the exemption, or (2) their spouse must have been domiciled in Massachusetts for at least six months before entering the service.

If the veteran, servicemember or guardsmen was not domiciled in Massachusetts before entering the service, and the municipality has accepted Section 110 of Chapter 110 of the Acts of 1993, the veteran or surviving spouse will only have to have been domiciled in the state at least one year before applying for the exemption.

2.1.2 Disability

An applicant must provide certification of the veteran's service connected disability from the VA or branch of service from which the person was discharged in the first year the exemption is sought. Veterans who qualify for a Clause 22E exemption must submit a current VA certification with each year's application. For all other exemptions, and for the surviving spouse of a Clause 22E veteran, the applicant does not have to include certifications with future applications unless the disability status changes.

2.1.3 Occupancy

For Clauses 22A, 22B, 22C, 22E and paraplegic exemptions, an applicant who owns a multi-family house only receives an exemption for the occupied portion.

Example

**The applicant owns a three-family house and occupies one unit.
The applicant receives 1/3 of the exemption.**

2.2 Financial Hardship Exemption (Clause 18)

Persons who do not have the financial means to pay their taxes because (1) **they were called into active military service**, or (2) are older and have a physical or mental illness, disability or impairment, may receive a partial or full exemption at the discretion of the assessors.¹⁷

2.2.1 Exemption Policy

Assessors have the discretion to establish specific criteria for determining whether a taxpayer meets the statutory standard of financial hardship under Clause 18. They should establish appropriate policies and criteria to ensure that they treat similarly situated taxpayers fairly and equitably, while maintaining some flexibility to address unique situations.

2.2.2 Taxpayer Recourse

An applicant who disagrees with the assessors' decision on his or her application for a Clause 18 hardship exemption may bring a civil action for certiorari in the Superior Court or Supreme Judicial Court within 60 days of the assessors' decision. To prevail, the applicant must show that the assessors' decision was unlawful, or arbitrary or capricious.

2.3 Financial Hardship Tax Deferral (Clause 18A)(See IGR 04-208)

Persons who are having temporary financial difficulties and meet certain durational domiciliary requirements may receive a partial or full deferral at the discretion of the assessors.¹⁸ The taxpayer may be of any age and the financial hardship may be due to any number of reasons, **including a change to active military status**. Table 1 summarizes the domiciliary requirements that apply to the Clause 18A deferral.

2.3.1 Deferral Policy

As with the Clause 18 hardship exemption, assessors have the discretion to establish specific criteria for determining eligibility for the deferral and they should establish appropriate policies to ensure fair and equitable treatment of taxpayers.

2.3.2 Taxpayer Recourse

Applicants who disagree with the assessors' decision on their application have the same recourse as Clause 18 hardship exemption applicants. See Section 2.2.2 above.

2.3.3 Deferral Period and Repayment

A Clause 18A hardship deferral can be granted for a maximum period of three consecutive years. At the end of that period, the deferred taxes must be repaid. The taxpayer may pay the deferred taxes, plus interest at eight percent, in annual installments over a five-year period. The first payment is due two years after the last year of the deferral.

2.3.4 Deferral Procedures

Other than the early repayment requirement, a Clause 18A hardship deferral operates in the same manner as the Clause 41A senior deferral. The taxpayer enters into a deferral agreement with the assessors in the first year, the assessors

record a lien statement to ensure the community can collect the amount deferred if the taxpayer does not pay it, the collector establishes a deferral account, which has the same status as a tax title, and the treasurer issues the release of lien upon payoff, as with a tax title redemption.

3.0 MOTOR VEHICLE EXCISE

3.1 Veterans

3.1.1 Eligibility

Peacetime and wartime veterans who have certain service connected disabilities and were not dishonorably discharged may be eligible for an exemption on vehicles owned and registered to them for their personal, non-business use. A veteran who qualifies and owns more than one vehicle may have the exemption applied to the vehicle of choice. The exemption does not apply to vehicles leased by the veteran. The owner/lessor is billed for the excise and the terms of the lease govern whether that cost is passed along to the lessee.

3.1.2 Disability Requirements

The veteran must be disabled due to military service according to the following standards:

- The Veterans Administration has certified that the veteran:
 - Has actually lost at least one foot or hand,
 - Has a permanent loss of use of at least one foot or hand, or
 - Has permanent impairment of vision meeting certain specifications in at least one eye.

OR

- The Medical Advisory Board within the Registry of Motor Vehicles (RMV) has determined that the veteran is as permanently disabled and the RMV has issued a disabled veteran plate.

The exemption is based solely on whether the individual meets these disability standards. These standards differ from, and are generally narrower than, those used to determine eligibility for property tax exemptions for veterans.

3.1.3 State Reimbursement

The Commonwealth reimburses municipalities for loss of excise revenue beginning with calendar year 2007 excises for those exemptions granted to persons who were ineligible in previous years, *i.e.*, those now exempt as a result of 2006 legislation that expanded eligibility to all veterans, not just those of certain named wars, and to permanently disabled veterans granted special plates by the RMV, not just those with defined physical disabilities.¹⁹ Table 5 summarizes the reimbursements for the different exemptions.

Assessors must report the exemptions granted to DOR each year in order for their municipality to be reimbursed.²⁰ The reports are submitted to the Municipal Data Bank. Reimbursements are subject to annual appropriation and any balances revert to the state's general fund on August 30.

3.2 Active Duty Servicemembers

3.2.1 Federal Servicemembers Civil Relief Act

Active duty military personnel who are domiciliaries of another state and are living in Massachusetts as a result of military orders are not taxable under federal law on any vehicle they own and register in Massachusetts.²¹ This exemption applies just to property owned by the servicemember. If the servicemember leases a vehicle, the owner/lessor is billed for the excise and the terms of the lease govern whether that cost is passed along to the servicemember/lessee.

3.2.2 Local Option Exemption-Deployment Outside United States

Servicemembers who are Massachusetts domiciliaries are assessed an excise on any vehicle they own and register in Massachusetts regardless of where the member is assigned or where the vehicle is located.

By local option statute, however, Massachusetts domiciliaries who are on active military duty outside the country for at least 45 days of the excise calendar year are exempt from the motor vehicle excise.²² Acceptance would be by majority vote of the municipal legislative body, subject to local charter. The exemption takes effect on the January 1 after the calendar year the acceptance is voted. If the service member is wounded or killed in an armed conflict, the exemption applies regardless of the number of days deployed. The service member may exempt only one vehicle owned (not leased) and registered for personal use. In a community that accepts this option, all taxpayers who have delinquent motor vehicle excise bills are charged an extra \$3 when the excises are sent to a deputy collector for collection action (the current fee is \$10). This is intended to offset any reduced revenue if eligible residents are granted the exemption.

¹ G.L. c. 59, § 5 first paragraph.

² G.L. c. 59, § 59.

³ G.L. c. 59, § 60.

⁴ G.L. c. 59, § 60; G.L. c. 66, § 10.

⁵ G.L. c. 59, § 5, cls. 18 and 18A.

⁶ G.L. c. 59, § 64.

⁷ G.L. c. 59, § 64.

⁸ *Thayer v. Shorey*, 287 Mass. 76 (1934).

⁹ *Kirby v. Board of Assessors of Medford*, 350 Mass. 386 (1966).

¹⁰ G.L. c. 59, § 5 first paragraph.

¹¹ *Anthony J. DeCenzo v. Board of Assessors of Framingham*, 372 Mass. 523 (1977).

¹² St. 1986, c. 73, § 4, as amended.

¹³ G.L. c. 59, § 5C.

¹⁴ Assessors' certification form, Form MDM-1 (all exemptions) and Form R-VP (veterans).

¹⁵ G.L. c. 59, § 5, cls. 22, 22A, 22B, 22C, 22D and 22E.

¹⁶ G.L. c. 4, § 7, cl. 43.

¹⁷ G.L. c. 59, § 5, cl. 18.

¹⁸ G.L. c. 59, § 5, cl. 18A.

¹⁹ St. 2006, c. 260, as amended by St. 2006, c. 310, Edward G. Connolly Massachusetts Military Enhanced Relief Individual Tax (MERIT) Plan.

²⁰ Assessors' certification form, Form MDM-1 (all exemptions) and Form R-VP (veterans).

²¹ 50 U.S.C. App. § 571(c).

²² G.L. c. 60A, § 1, as amended by St. 2008, c. 182, §§ 16 and 117.

**TABLE 1. Exempt Persons – Property Taxes
Ownership and Domiciliary Requirements**

Type	Clause	Amount	Multiple Owners Pro-rata Amount	Minimum Ownership Interest	Durational Ownership ¹	Durational Domiciliary ²
BLIND	37 37A	\$437.50 \$500	None	\$5,000	None	None
HARDSHIP	18	Any	None	None	None	None
	18A (deferral)	Any	Total deferral account may not exceed 50% of applicant's ownership share of the property's value	None	None	Domiciled in MA for 10 consecutive years before application date
SENIOR	17, 17C, 17C½	\$175	None	\$2,000	Owned and occupied the property as domicile for any 10 years	See durational ownership
	17D	\$175	None	\$2,000	Owned and occupied the property as domicile for any 5 years	See durational ownership
	41	\$500	% of applicant's interest if any co-owner is not spouse	\$4,000	None	None
	41B 41C	\$500 \$500 ³	% of applicant's interest if any co-owner is not spouse	\$4,000	Owned and occupied the property, or any other MA property, as domicile for any 5 years	Domiciled in MA for 10 consecutive years before application date ⁴
	41C½	Up to 5% of the average assessed valuation of residential property ⁵			Owned and occupied the property, or any other MA property, as domicile for any 5 years	Domiciled in MA for 10 consecutive years before application date ⁶
	41A (deferral)	Any	Total deferral account may not exceed 50% of applicant's ownership share of the property's value	None	Owned and occupied the property, or any other MA property, as domicile for any 5 years	Domiciled in MA for 10 consecutive years before application date ⁷

¹ In addition to general requirement that taxpayer own property on July 1.

² In addition to general requirement that taxpayer occupy the property as domicile on July 1.

³ May be increased up to \$1,000 by legislative body of municipality.

⁴ Surviving spouses who inherit the property only have to have occupied the property, or other MA property, for any five years.

⁵ May be increased up to 20% by legislative body of municipality

⁶ Surviving spouses who inherit the property only have to have occupied the property, or other MA property, for any five years. May be reduced to five years by legislative body of municipality

⁷ Surviving spouses who inherit the property only have to have occupied the property, or other MA property, for any five years.

Type	Clause	Amount	Multiple Owners Pro-rata Amount	Minimum Ownership Interest	Durational Ownership ¹	Durational Domiciliary ²
SURVIVOR	17, 17C, 17C½, 17D	\$175	None	\$2,000	None	None
	42, 43	Full	% of applicant's interest if any co-owner is not surviving spouse/minor	None	None	None
VETERAN	22	\$400	None	\$2,000	None	Domiciled in MA for 6 consecutive months before entering the service OR Domiciled in MA for 5 consecutive years (or if alternative local option accepted, 1 consecutive year) before application date
	22A	\$750	None	\$4,000	None	Same as 22
	22B	\$1250	None	\$8,000	None	Same as 22
	22C	\$1500	None	\$10,000	None	Same as 22
	22D	Full - 1 st five years of exemption Up to \$2500 thereafter	None	\$2,000	None	Domiciled in MA for 5 consecutive years (or if alternative local option accepted, 1 consecutive year) before application date OR deceased spouse domiciled in MA for 6 consecutive months before entering the service
	22E	\$1000	None	\$6,000	None	Same as 22
	Paraplegics	Full	None	\$2,000	None	Same as 22

¹ In addition to general requirement that taxpayer own property on July 1.

² In addition to general requirement that taxpayer occupy the property as domicile on July 1.

**TABLE 2. Exempt Persons – Property Taxes
State Reimbursements¹**

Type	Clause	Exemption Amount	Reimbursement Amount
BLIND	37	\$437.50	\$87.50 per exemption
	37A	\$500	\$87.50 per exemption
HARDSHIP	18	Any	None
SENIOR, SURVIVING SPOUSE, SURVIVING MINOR CHILDREN	17	\$175	\$175 per exemption
	17C, 17C½, 17D	\$175	Total amount reimbursed in last year Clause 17 used
SENIOR	41	\$500	\$500 per exemption
	41B, 41C	\$500	\$500 per exemption, up to the number of exemptions granted in the last year Clause 41 used
	41C½	5% of average assessed valuation of residential property ²	Amount granted up to \$500 per exemption, up to the number of exemptions granted in the last year Clause 41 used
SURVIVING SPOUSE, SURVIVING MINOR CHILDREN OF FIREFIGHTERS AND POLICE OFFICERS	42, 43	Full	None
VETERAN³	22	\$400	\$225 per exemption
	22A	\$750	\$575 per exemption
	22B	\$1250	\$1075 per exemption
	22C	\$1500	\$1325 per exemption
	22D	Full – 1 st five years Up to \$2500 thereafter	Exemption granted
	22E	\$1000	\$825 per exemption
	Paraplegics	Full	All but \$175 of exemption granted

¹ Subject to annual appropriation.

² May be increased up to 20% by legislative body of municipality.

³ If Clause 22A, 22B, 22C and 22E granted on multi-family property, reimbursement is limited to amount over \$225 granted to applicant.

**TABLE 3. Exempt Persons – Property Taxes - Applicants
Veterans under Clauses 22, 22A, 22B, 22C, 22D and 22E**

CLAUSE	TYPE	AMOUNT ¹	VETERAN	SPOUSE	SURVIVING SPOUSE	SURVIVING PARENT
22(a)	Veterans with minimum 10% service connected disability	\$400	X			
22(b)	Veterans of certain pre-World War I conflicts	\$400	X			
22(c)	Veterans awarded purple hearts	\$400	X			
22(d)	Spouses (when property is owned by spouse, not veteran) and surviving spouses of Clause 22(a) – (c) veterans	\$400		X	Until remarriage	
22(e)	Gold star parents	\$400				X
22(f)	Surviving spouses of World War I veterans whose whole estate, less mortgage balance on property, does not exceed \$20,000	\$400			Until remarriage	
22A	Veterans who lost, or had permanent loss of use of, one hand, foot or eye in the line of duty or were awarded Congressional Medal of Honor, Distinguished Service Cross, Navy Cross or Air Force Cross	\$750	X	X	X	

¹ With the exception of Clauses 22(a-f) and 22D, if the property is greater than a single-family house, the applicant receives an exemption for only that portion that corresponds to the segment occupied.

CLAUSE	TYPE	AMOUNT ¹	VETERAN	SPOUSE	SURVIVING SPOUSE	SURVIVING PARENT
22B	Veterans who lost, or had permanent loss of use of, two hands, feet or eyes in the line of duty	\$1250	X	X	X	
22C	Veterans with 100% disability in the line of duty and whose domicile is specially adapted housing acquired with assistance from VA	\$1500	X	X	X	
22D	Surviving spouses of service members or guardsmen who died from injury or disease due to being in combat zone, or who are missing in action and presumed dead due to combat	Full – 1 st five years of exemption Up to \$2500 thereafter			Until remarriage	
22E	Veterans with 100% disability in the line of duty (annual certificate required) and who are unable to work	\$1000	X	X	X	
	Paraplegic veterans ²	Full	X		X	

¹ With the exception of Clauses 22(a-f) and 22D, if the property is greater than a single-family house, the applicant receives an exemption for only that portion that corresponds to the segment occupied.

² Qualifying paraplegic veterans and surviving spouses are granted a Clause 22 exemption for \$400. The assessors abate the balance after obtaining DOR authorization under G.L. c. 58, §8.

**TABLE 4. Exempt Persons –Property Taxes and Motor Vehicle Excises
Definition of Veteran¹**

Era of Service		Dates	Requirement for Veteran Status
WWI		6-Apr-1917 11-Nov-1918	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
PEACETIME		12-Nov-1918 15-Sep-1940	180 days of regular active duty service and a last discharge or release under honorable conditions.
WWII (Merchant Marine: 7-Dec-1941 through 31-Dec-1946)		16-Sep-1940 25-Jul-1947	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
PEACETIME		26-Jul-1947 24-Jun-1950	180 days of regular active duty service and a last discharge or release under honorable conditions.
KOREA		25-Jun-1950 31-Jan-1955	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
	Korean Defense Service Medal	28-Jul-1954 (to be determined later)	90 days of active duty service, last discharge under honorable conditions and the Korean Defense Service Medal
VIETNAM I		1-Feb-1955 4-Aug-1964	180 days of regular active duty service and a last discharge or release under honorable conditions.
VIETNAM II		5-Aug-1964 7-May-1975	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
PEACETIME		8-May-1975 1-Aug-1990	180 days of regular active duty service and a last discharge or release under honorable conditions.
	Lebanon Campaign *	25-Aug-1982 (to be determined later)	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
	Grenada Campaign *	25-Oct-1983 15-Dec-1983	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
	Panama Campaign *	20-Dec-1989 31-Jan-1990	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.
PERSIAN GULF		2-Aug-1990 (to be determined later)	90 days of active duty service, one (1) day during “wartime” and a last discharge or release under honorable conditions.

*Naval and Marine DD214 must indicate Expeditionary Medal. All DD214’s must specify campaign: Lebanon, Granada, or Panama.

- For **GUARD MEMBERS** to qualify they must have 180 days and have been activated under Title 10 of the U.S. Code -OR- Members who were activated under Title 10 or Title 32 of the U.S. Code or Massachusetts General Laws, chapter 33, sections 38, 40, and 41 must have 90 days, at least one of which was during wartime, per the above chart.
- For **RESERVISTS** to qualify, they must have been called to regular active duty, at which point their eligibility can be determined by the above chart.

Training Duty Exception: Active duty service in the armed forces shall not include active duty for training in the Army or Air National Guard or active duty for training as a Reservist in the Armed Forces of the United States.

Minimum Service Exception (for Death or Disability)

It is not necessary that an applicant have completed the minimum service for wartime or peacetime campaign if he/she served some time in the campaign and was awarded the Purple Heart, or suffered a service-connected disability per the Discharge Certificate, or died in the service under honorable conditions.

¹ G.L. c. 4, §7, cl. 43, as amended by St. 2005, c. 130.

**TABLE 5. Exempt Persons – Motor Vehicle Excises
State Reimbursements¹**

ERA	DISABILITY	REIMBURSEMENT
World War I, World War II, Korean War and Viet Nam War Veterans	<ul style="list-style-type: none"> • Actual loss of at least one foot or hand, • Permanent and complete loss of use of at least one foot or hand, or • Permanent impairment of vision meeting certain specifications in at least one eye. 	None
World War I, World War II, Korean War and Viet Nam War Veterans	Disabled veteran plate issued by RMV due to permanent disability <u>other than</u> : <ul style="list-style-type: none"> • Actual loss of at least one foot or hand, • Permanent and complete loss of use of at least one foot or hand, or • Permanent impairment of vision meeting certain specifications in at least one eye. 	Exemption granted
Peacetime and all other wartime veterans	<ul style="list-style-type: none"> • Actual loss of at least one foot or hand, • Permanent and complete loss of use of at least one foot or hand, • Permanent impairment of vision meeting certain specifications in at least one eye, or • Disabled veteran plate issued by RMV due to permanent disability for other reasons 	Exemption granted

¹ Subject to annual appropriation.

COLLECTION PROVISIONS

1.0 FEDERAL SERVICEMEMBERS CIVIL RELIEF ACT

Active duty personnel (including guardsmen called to Federal service and activated reservists) can be charged no more than six percent interest on property tax or excise bills that became delinquent before or after military service began. No other collection charges or costs may be imposed.¹

There are also limits on the exercise of collection proceedings during military service unless a court finds that military service does not materially have an effect on the servicemember's ability to pay.² A servicemember who has had property taken for delinquent taxes has the right to redeem within 180 days of being discharged.³

2.0 LOCAL OPTION PROPERTY TAX DEFERRAL

By local option statute, Massachusetts National guardsmen and reservists deployed outside the state, or their dependents, have up to 180 days after that service to pay their property taxes without interest or penalties.⁴ Acceptance would be by majority vote of the municipal legislative body, subject to local charter. Once accepted, it would apply to any outstanding property taxes of qualifying guardsmen and reservists and their dependents, regardless of when the taxes fell due. Interest would be charged at the regular delinquency rate from the end of the 180 day period, unless the returning guardsman or reservist is still on active duty status and qualifies for the lower 6% rate under the Servicemembers Civil Relief Act.

3.0 LOCAL OPTION MOTOR VEHICLE EXCISE DEFERRAL

By local option statute, Massachusetts National guardsmen and reservists deployed outside the state, or their dependents, have up to 180 days after that service to pay their motor vehicle excises without interest or penalties.⁵ Acceptance would be by majority vote of the municipal legislative body, subject to local charter. Once accepted, it would apply to any outstanding motor vehicle excises of qualifying guardsmen and reservists and their dependents, regardless of when the taxes fell due. Interest would be charged at the regular delinquency rate from the end of the 180 day period, unless the returning guardsman or reservist is still on active duty status and qualifies for the lower 6% rate under the Servicemembers Civil Relief Act.

¹ 50 U.S.C. App. § 561(d).

² 50 U.S.C. App. § 561(b).

³ 50 U.S.C. App. § 561(c).

⁴ G.L. c. 59, § 5L.

⁵ G.L. c. 60A, § 9.

Clause 22A - \$750

This exemption is available to veterans who (1) suffered in the line of duty the loss or permanent loss of use of one foot or one hand or one eye, or (2) received the Congressional Medal of Honor, Distinguished Service Cross, Navy Cross or Air Force Cross, and their spouses or surviving spouses.

Clause 22B - \$1,250

This exemption is available to veterans who suffered in the line of duty the loss or permanent loss of use of both feet or both hands or both eyes, and their spouses or surviving spouses.

Clause 22C - \$1,500

This exemption is available to veterans who (1) suffered total disability in the line of duty and (2) who received assistance in acquiring "specially adapted housing" which they own and occupy as their domicile, and their spouses or surviving spouses.

Clause 22D - Full, with a cap of \$2500 after 5 years

This exemption is available to surviving spouses (who do not remarry) of soldiers, sailors and guardsmen who died due to injury or disease from being in a combat zone, or are missing and presumed dead due to combat.

The surviving spouse must have lived in Massachusetts for at least 5 years OR the soldier, sailor or guardsmen had to have been a Massachusetts domiciliary for at least six months before entering the service.

Surviving spouses of soldiers, sailors or guardsmen who died or were presumed dead from combat on or after September 11, 2001 may also receive retroactive exemptions beginning as early as fiscal year 2003. Eligibility depends on the date of death or presumed death, and the satisfaction of all other qualifications.

Clause 22E - \$1,000

This exemption is available to veterans who suffered total disability in the line of duty and are incapable of working, and their spouses or surviving spouses.

Paraplegic - Total Exemption

This exemption is available to veterans who are certified by the Veterans Administration as paraplegic and their surviving spouses.

The Clause 22A, 22B, 22C, 22D and Paraplegic exemptions are prorated if the domicile is greater than a single-family house. Only that fraction of the tax that corresponds to the part occupied by the veteran, or if deceased, the surviving spouse, is allowed.

FURTHER INFORMATION

This brochure is intended to provide general information about the senior property tax exemption. To find out about the specific eligibility requirements and application procedure in your community, however, **you must contact your local board of assessors**. By law, the Department of Revenue cannot determine whether you are eligible. Only your local board of assessors can make that decision.

TAXPAYER'S GUIDE TO REAL ESTATE TAX EXEMPTIONS IN MASSACHUSETTS

CLAUSE 22
CLAUSE 22A
CLAUSE 22B
CLAUSE 22C
CLAUSE 22D
CLAUSE 22E
PARAPLEGICS

Veteran Exemptions



Massachusetts Department of Revenue
Division of Local Services

February 2009

INTRODUCTION

Cities and towns may give property tax exemptions to certain individuals as defined by the state Legislature. An exemption discharges the taxpayer from the obligation to pay all or a portion of the tax. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5.

Clauses 22, 22A, 22B, 22C, 22D and 22E provide exemptions to veterans who were not dishonorably discharged and who meet certain residency, ownership, occupancy, disability or other requirements, and their spouses, surviving spouses or surviving parents.

APPLICATIONS

Applications must be filed annually with the local assessors in the city or town where the property is located on or before December 15th, or three months after the actual tax bills are mailed, whichever is later.

Filing on time is required. By law, the assessors may not waive this filing deadline, nor act on a late application, for any reason. Filing an application does not entitle the applicant to a delay in tax payment.

DOCUMENTATION

An applicant for an exemption must provide the assessors with whatever information is reasonably required to establish eligibility. This information may include, but is not limited to:

1. Evidence of ownership, domicile and occupancy.
2. Certification of a service connected disability from the United States Department of Veteran Affairs or branch of service.

NUMBER OF EXEMPTIONS

With limited exceptions, a taxpayer may only receive one exemption. If qualified for more than one, the taxpayer will receive the one that provides the greatest benefit. A taxpayer may receive an exemption and if qualified, defer the balance of the reduced tax.

ELIGIBILITY REQUIREMENTS

An applicant must satisfy tests relating to residency, ownership, occupancy and service-connected disability. All eligibility requirements must be met as of July 1 of the tax year. (*The fiscal year of cities and towns begins July 1 and ends the following June 30.*)

RESIDENCY

A veteran must (1) have been domiciled in Massachusetts for at least six months before entering the service OR (2) have lived in Massachusetts for at least 5 years (or lived in Massachusetts for at least 1 year if the city or town has accepted a local option).

OWNERSHIP AND DOMICILE

An applicant must own and occupy the property as his or her domicile.

The veteran, or if deceased, the veteran's surviving spouse or parent, must occupy the property as his or her domicile on July 1 of the tax year.

1. To satisfy this ownership requirement for Clause 41, 41B or 41C, the applicant's interest in the property must be worth at least \$4,000. The applicant may own this interest solely, as a joint owner or a tenant in common.
2. An applicant who holds a life estate in the domicile is considered the owner.
3. If the domicile is held in a trust, the applicant is considered the owner only if he or she:
 - a. A trustee or co-trustee of that trust, and
 - b. Has a sufficient beneficial interest in the domicile through that trust.

ELIGIBILITY REQUIREMENTS AND EXEMPTION AMOUNTS

Clause 22 - \$400

This exemption is available to the following persons:

1. Veterans with a service connected disability of 10% or more as determined by the Veterans Administration or the branch of service from which separated.
2. Veterans who have been awarded the Purple Heart.
3. Gold Star mothers and fathers.
4. Spouses (where the domicile is owned by the veteran's spouse) and surviving spouses (who do not remarry) of veterans entitled to exemption under Clause 22.
5. Surviving spouses (who do not remarry) of World War I veterans so long as their whole worth, less any mortgage on the property, does not exceed \$20,000.