

A Publication of the Massachusetts Department of Revenue's Division of Local Services



January 4th, 2024



## DLS Training Highlight: Property Tax Abatements

Municipal Finance Training & Resource Center

### In this edition:

- **DLS Training Highlight:  
Property Tax Abatements**
- **FY2024 Tax Levies,  
Assessed Values and Tax  
Rates**
- **Ask DLS: Subsequent  
Owners**

### By the Numbers

City & Town provides updates on the progress of the tax rate and certification process.

This information is available 24/7 by [clicking here](#).

Preliminary Certifications Approved:  
65

Final Certification: 65 (of 67 total)

LA4 (Assessed Values):  
348 approved (348 submitted)

LA13 (New Growth):  
348 approved (348 submitted)

Tax Rates: 341 approved

Balance Sheets: 229 approved

Total Aggregate Free Cash  
Approved: \$1,573,207,135

### Important Dates & Information

#### DLS Winter Update

Given the seasonal nature of certain reporting requirements, municipal responsibilities, billing processes and regulatory functions, we are

After tax bills have been mailed, local taxpayers may reach out to learn about the property tax abatement process in your community. Each local board of assessors has the authority to grant property tax abatements to taxpayers. An abatement request is filed when a taxpayer feels the assessed value of his or her property is too high or disproportionately assessed. The statutory abatement procedure is the only remedy available for a taxpayer to contest and reduce an assessed tax liability. Part of the assessors' role is to carefully document the receipt and processing of all abatement applications to preserve the municipality's rights for any future legal actions. Mishandling and delayed review of documents and information can have significant repercussions. A taxpayer must timely file an abatement application. If not, they lose the right to any abatement since assessors lack jurisdiction and authority to grant an abatement if the abatement is not filed within the appropriate timeframe.

Assessors have three months from the date they receive an abatement application to grant or deny an abatement. The three-month action period can be extended by written consent of the taxpayer. The application is deemed denied if the assessors do not act within the three months, or extended, action period. Abatement certificates and denial notices must be sent within 10 days of the date the assessors act on the application, or the application is deemed denied. The abatement book is a public record and is open to mandatory disclosure under the public records law. A taxpayer

utilizing seasonal pages on our website that provide helpful resources, tools and guidance you might find useful for the time of year. The Winter Update provides timely resources related to the annual operating and capital budget processes, property tax commitments, warrants, tax billing, abatements, issuing motor vehicle excise, and municipal debt. Bookmark our Winter resources [here](#).

### EOED: Inland Dredging Pilot Round

Inland Dredging Pilot Round coming soon. Next week, the Executive Office of Economic Development (EOED) will open an inland dredging grant round open to all 351 municipalities. This round offers final design and construction grants for dredging of freshwater lakes, ponds, rivers, streams, and drinking water reservoirs, as well as dredging required for removal of municipal dams. To be added to the round's announcement list, please send your name, organization, and email address to [EOHEDgrants@mass.gov](mailto:EOHEDgrants@mass.gov), subject line: "Dredging Program Email List."

### New Bulletins: New Cannabis Control Commission Regulations, Recent Legislation Amortization of FY2024 Major Disaster Related Deficit

The Division of Local Services recently published two new bulletins. Bulletin 2023-9 discusses recent regulatory changes affecting municipal finance promulgated by the Cannabis Control Commission pursuant to Chapter 180 of the Acts of 2022, An Act Relative to Equity in the Cannabis Industry. Bulletin 2023-10 summarizes Section 205 of Chapter 77 of the Acts of 2023 which authorizes cities and towns to amortize their FY2024 major disaster related deficit over fiscal years 2025 to 2027, inclusive, in equal installments or more rapidly.

[BUL-2023-9: New Cannabis Control Commission Regulations](#)

[BUL-2023-10: Recent Legislation Amortization of FY2024 Major Disaster Related Deficit](#)

To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

### Bulletin 2023-8: Recent Legislation - Chapter 77 of the Acts of 2023

dissatisfied with the local board of assessors' decision has the right of appeal with the [Appellate Tax Board](#) (ATB), a state administrative board that hears taxpayer appeals on local and state tax matters. It consists of five members appointed by the Governor for staggered six-year terms. A taxpayer must file an appeal with the ATB within three months of the date the assessors granted or denied the abatement, or the date the application was deemed denied if they did not act.

DLS has several resources in the Municipal Finance Training and Resource Center detailing the [abatement process](#), including an [abatement video playlist](#) on the DLS YouTube Channel that provides an overview of abatements, assessors' powers to abate property taxes, and the role of the [Appellate Tax Board](#). The abatement process is also covered in [Chapter 6](#) of [Course 101](#) and in the division's [Foundations in Municipal Finance - Winter Module](#) in the financial procedures section under billing adjustments. Additionally, forms used by assessors for abatement application dispositions can be found [here](#).

Be sure to bookmark the [Municipal Finance Training and Resource Center](#) page and subscribe to our [YouTube channel](#) to stay updated on new items added. Is there something you would like to see added? Please email [DLSTraining@dor.state.ma.us](mailto:DLSTraining@dor.state.ma.us). We would love to hear from you!

## FY2024 Tax Levies, Assessed Values and Tax Rates

**Tom Guilfoyle - Bureau of Accounts Supervisor**

This article reviews property tax levies and assessed values for all 351 communities from FY2014 to FY2023. For 340 communities with FY2024 tax rates approved or received by the Division of Local Services' (DLS) [Bureau of Accounts](#) as of mid-day December 22, 2023, the article compares FY2023 and FY2024 tax levies and assessed values and then provides some quick FY2024 stats. It then reviews several communities that are close to their FY2024 levy ceilings. Finally, it reports on tax rates and shifts between

The Division of Local Services (DLS) Municipal Finance Law Bureau (MFLB) has a new bulletin. Bulletin 2023-8 focuses on recent legislative changes affecting municipal finance found in Chapter 77 of the Acts of 2023. The changes effect stabilization funds, the use of insurance proceeds, the general rules concerning municipal receipts, mitigation or exaction funds and major disaster amortization.

[BUL-2023-8 – RECENT LEGISLATION Chapter 77 of the Acts of 2023](#)

To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

**Bulletin 2023-7: G.L. c. 44, § 53 Clause 4 - Opioid Settlement Receipts**

The Division of Local Services Director of Accounts has issued [Bulletin 2023-7](#).

On December 4th, 2023, Governor Healey signed [Chapter 77 of the Acts of 2023](#). Section 9 of the law provides, in part, for an exception to the legal requirement that all receipts are to be recorded as general fund revenue per [G.L. c. 44, § 53](#) for Opioid Settlement Receipts. Municipalities now have the option to account for these receipts in a special revenue fund.

[BUL-2023-7 – G.L. c. 44, § 53 Clause 4: Opioid Settlement Receipts](#)

To access IGRs, LFOs and Bulletins, please visit [this webpage](#).

**Healey-Driscoll Administration Announces \$5 Million in IT Grants for Municipalities Through Community Compact**

The Healey-Driscoll administration announced that \$5 million in grants have been awarded to municipalities to upgrade and improve their information and technology systems through the Community Compact program. This funding comes from one of four Community Compact grant programs being run this fiscal year and will benefit 68 municipalities and school districts, including 13 first-time recipients.

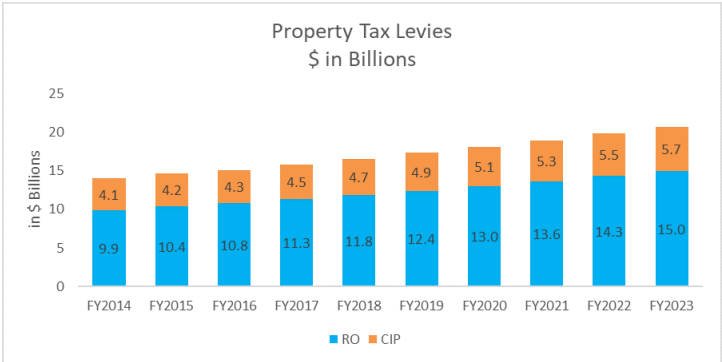
The 52 grants being awarded total more than \$4.95 million and will go toward improving cybersecurity and e-permitting, centralizing financial systems, implementing records management systems and infrastructure needed for hybrid meetings. The full list of IT grant

property classes. For a variety of trainings and informational resources about property taxes and related content, please visit the [Property Taxes and Proposition 2½ Training and Resources](#) page.

**Tax Levies**

The property tax levy is the annual amount of taxes assessed upon real and personal property in the community. For most communities, the property tax levy is the largest revenue source. Along with other revenue sources such as estimated receipts and available reserves, these revenues balance the spending needs voted in the omnibus budget. Since FY1982, the property tax levy has been subject to the limits of Prop 2½.

The graph below shows property tax levies for residential and open space (RO) classes as well as commercial, industrial and personal property (CIP) classes for FY2014 to FY2023. Tax levies grew by 47.9% or by \$6.7 billion, from \$14.0 billion to \$20.7 billion, over this time.



Overall percentages of the tax levy by the respective class groupings from FY2014 to FY2023 are seen in the following chart.

Percentages of the Tax Levy					
	FY2014	FY2015	FY2016	FY2017	FY2018
RO	70.7	71.2	71.5	71.5	71.5
CIP	29.3	28.8	28.5	28.5	28.5
	FY2019	FY2020	FY2021	FY2022	FY2023
RO	71.7	71.8	72.0	72.2	72.5
CIP	28.3	28.2	28.0	27.8	27.5

awards can be found [here](#).

In addition to the information and technology grants, funding has been made available through both the Fiscal Year 2024 budget and the administration's capital investment plan to support each of the following Community Compact programs:

Best Practices - \$2 million  
Efficiency & Regionalization - \$600,000  
Municipal Fiber - \$5 million

The application periods for the Efficiency and Regionalization Grant Program and Municipal Fiber Grant Program open on Jan. 8, 2024 and March 11, 2024, respectively.

**2023 “What’s New in Municipal Law” Materials Now Available Online**

We are pleased to announce that the 2023 “What’s New in Municipal Law” court decisions presentation, workshop materials, and discussion summaries are now available online. All of the material can be accessed on the seminar’s website [here](#).

**New DLS Visualization Tool Highlights Trends in Municipal Debt**

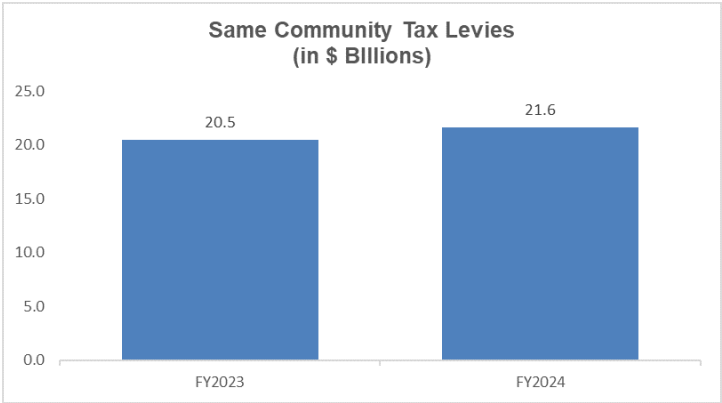
DLS is pleased to announce the release of our latest municipal finance visualization. Our new [Trends in Municipal Debt](#) tool provides an in-depth look at both general fund debt service and outstanding debt using data collected through the [DLS Gateway application](#). Individual charts show trends in debt service over time and sort the data by type and per capita. We’ve also included a glossary page to help explain many of the terms associated with [municipal debt](#). Each dashboard can be downloaded to a PDF file, and the source data can be accessed using the “351 Report” button.

Please email any feedback to the Data Analytics & Resources Bureau at [DARB@dor.state.ma.us](mailto:DARB@dor.state.ma.us).

**New Informational Resource Page for City/Town Clerks**

The Division of Local Services is pleased to announce the availability of materials on the Municipal Finance Training & Resource Center under [resources by position](#) to assist city or town clerks. A city or town clerk is an integral member of the municipal management team and a central information point for residents. While the job

The graph below shows that in total for the 340 communities with certified FY2024 tax rates, tax levies increased from FY2023 to FY2024 by about 5.2%, or by about \$1.1 billion, from \$20.5 billion to \$21.6 billion.



Details reveal that the tax levy increased in 334 communities and decreased in 6 communities. The median percentage increase was 4.4%. The largest increase was in the town of Mount Washington (28.9%) and largest decrease was in the city of Marlborough (5.1%).

**Assessed Values**

The tax levy is distributed among taxpayers based on the assessed value of their properties as determined by the local assessors.

[Bureau of Local Assessment](#) staff reviews and certifies the assessors’ estimates every five years to ensure that they comply with legal standards. Interim year adjustments to reflect changes in market conditions must also meet legal standards, although they are not certified.

The next graph shows total assessed values from FY2014 to FY2023. Values rose by 79.6% or by about \$732.3 billion from \$919.8 billion to \$1.652 trillion. In FY2016, assessed values first grew to over \$1 trillion.

responsibilities may vary from community to community in Massachusetts, the clerk is a bonded official who is the municipality's record keeper and often the chief election officer. The new page is one stop shopping for the following topics important to clerks:

- Overview of responsibilities
- Adopting local option excise
- Local elections and town meeting
- Local Officials Directory
- Municipal debt and borrowing
- Proposition 2 ½ votes
- Record legislative action
- Tax rate setting process

Be sure to bookmark the [Municipal Finance Training and Resource Center](#) page and subscribe to our [YouTube channel](#).

**2024 Municipal Cybersecurity Awareness Grant Program**

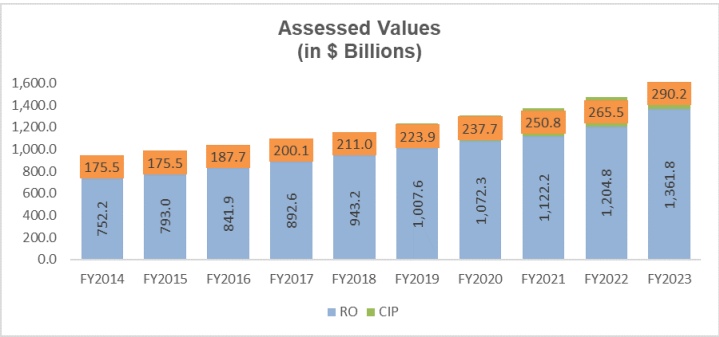
The Executive Office of Technology Services and Security (EOTSS) is pleased to announce the Municipal Cybersecurity Awareness Grant Program (MCAGP) for 2024!

The MCAGP is **open to all local government agencies** (municipalities, public school districts, libraries, police departments, fire departments, planning commissions, and municipally run utility departments and airports), as well as members of the PERAC Retirement System. The program improves overall cybersecurity posture by helping organizations mitigate their human risk through awareness training, and monthly threat simulations (phishing campaigns).

EOTSS' Office of Municipal and School Technology (OMST) procures the user licenses and manages the program – making the program **free** to participating organizations. More specific information about the program, learning paths, and information sessions can be found [here](#). The applications are now available, but act quickly! The application period will close when all available seats are taken or on January 10, 2024, whichever occurs first.

**Latest Issue of *Buy the Way* Now Available**

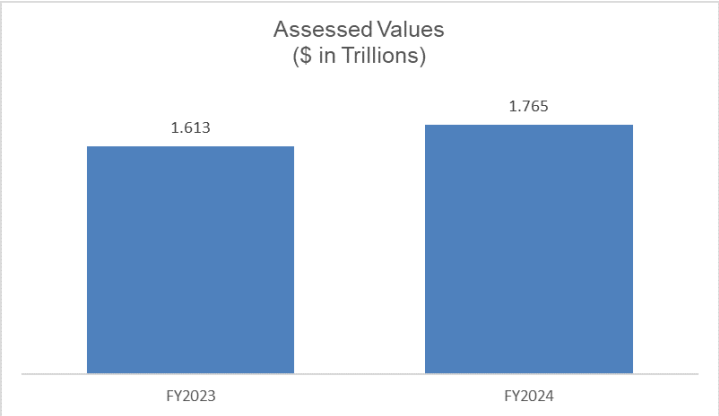
Don't miss [Issue #24 of \*Buy the Way\*](#), the official magazine of the Operational Services Division



Overall percentages of assessed values by the respective class groupings from FY2014 to FY2023 are seen in the following chart.

Percentages of the Assessed Values										
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
RO	81.8	81.9	81.8	81.7	81.7	81.8	81.9	81.7	81.9	82.4
CIP	18.2	18.1	18.2	18.3	18.3	18.2	18.1	18.3	18.1	17.6

This next graph shows that in total for the 340 communities, assessed values increased from FY2023 to FY2024 by 9.4% or \$151.7 billion from \$1.613 trillion to \$1.765 trillion.



Details reveal that assessed values increased in 339 communities and decreased in only one. The median percentage for increases was 10.1%. The largest increase was in the town of Warwick (33.8%) while the decrease was in the town of Erving (10.8%).

**The Levy Limit**

[Proposition 2½](#) places limits on the amount of property taxes a community can levy. One limit is a tax levy ceiling which limits the property tax levy to 2.5% of the full and fair cash value of all taxable real and personal property in the community without specific further



(OSD).

[Click here](#) to get news and updates from OSD delivered to your inbox.

**BULLETIN-2023-6:  
Massachusetts Statewide  
Opioid Settlement Funds**

The Division of Local Services (DLS) Bureau of Accounts has issued Bulletin 2023-6. Bulletin 2023-6 is a reminder to city and town accounting officials of the requirements for the accounting treatment of statewide opioid funds as well as the reporting requirements to document their use in accordance with the State Subdivision Agreement.

[BUL-2023-6 – Massachusetts  
Statewide Opioid Settlement Funds](#)

To access IGRs, LFOs and Bulletins, please visit [this webpage](#).

**BULLETIN-2023-5: Tax Title  
Foreclosure Surplus  
Proceeds**

The DLS Municipal Finance Law Bureau has a new Bulletin. Bulletin 2023-5 discuss a recently decided United States Supreme Court case, Tyler v. Hennepin County, 598 U.S. 631 (2023). As a result of that decision, there is uncertainty as to whether or not tax title foreclosure surplus proceeds will need to be returned to property owners. The Bulletin notes that DLS will not object to a community temporarily holding any such surplus proceeds in an agency account until there is a directive from the courts on this matter.

[BUL-2023-5 – TAX TITLE  
FORECLOSURE SURPLUS  
PROCEEDS](#)

To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

**MassDEP: New Large Entity  
Reporting Requirement**

The Massachusetts Department of Environmental Protection (MassDEP) adopted a new regulation 310 CMR 7.41: *Large Entity Reporting Requirement* that became effective on September 1, 2023, which requires large entities (fleet owners, businesses, government agencies, municipalities, brokers, etc.) to submit a one-time report on medium- and heavy-duty (MHD) vehicles greater than 8,500 lbs. operated or dispatched in Massachusetts. Specific information that must be reported includes vehicle type and usage characteristics.

community action. Once the 2.5% level has been reached, the levy limit is said to have “hit the ceiling.”

A levy ceiling is one of two types of levy (tax) restrictions imposed by G.L. c. 59§ 21C (Proposition 2½). It states that in any year, the real and personal property taxes imposed may not exceed 2.5% of the total full and fair cash value of all taxable property. A levy limit is the other of the two types of tax levy restrictions imposed by G.L. c. 59 § 21C. It states that the real and personal property taxes imposed by a city or town may only grow each year by 2.5% of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.

An incremental levy limit or tax levy that is within 90% to 99% of a levy ceiling can be referred to as “approaching the levy ceiling.” Of the 340 communities that have set an FY2024 tax rate as of the date of this writing, only Holyoke and Pittsfield have levy limits that have approached their levy ceilings and only Holyoke, Charlemont and Pittsfield have tax levies that have approached their levy ceilings.

Approaching the FY2024 Ceiling			
	Levy Limit % of Ceiling		Levy % of Ceiling
Holyoke	97.8	Holyoke	95.2
Charlemont	93.3	Pittsfield	90.5
Pittsfield	91.2		

As seen above, although Charlemont’s incremental levy limit is approaching its ceiling, its tax levy is not. Details reveal that its tax levy is 82.8% of its ceiling. As the incremental lower limit of Prop 2½ continues to increase, the extent to which future changes to the real estate market, either locally or statewide, add to or subtract from the number of communities found in the above chart remains to be seen.

**Tax Shift**

At the annual classification hearing, mayors, city/town councils and

This report will help MassDEP assess the best way to develop electric vehicle charging infrastructure and programs to support and accelerate the MHD zero emission vehicle market in Massachusetts.

Entities must submit the report to MassDEP by **5:00 PM on Friday, March 1, 2024**. To determine whether an entity is required to report, follow the instructions provided in the link below:

<https://www.mass.gov/how-to/large-entity-reporting-requirement>

**"Adopting Local Option Excise Taxes" Training Video Now Available**

DLS is pleased to announce the availability of a [new training video](#) explaining the process for adopting a local option excise on room occupancy, meals and adult use recreational marijuana, or a community impact fee on short-term rentals in your community. The training also covers the Division of Local Services' role in local option excises, discusses the timetable involved with adopting any of these options, and provides examples of warrant language to assist you in preparing for a vote on a local option excise tax.

The [training video](#) is now available on the DLS YouTube channel, along with the [presentation slides](#). Additional [local options related training resources](#) and [local options data and reporting](#) information is also available on the DLS website. If you have any questions relative to adopting local option excise taxes please contact [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us).

**OIG Offers No Cost Procurement Training for Municipalities**

The Office of the Inspector General introduced a pilot program, "One Free Designee," that offers core public procurement training to one public employee per municipality at no cost. Effective in FY 24 (July 1, 2023 – June 30, 2024), the OIG is offering free tuition for the three courses required for one employee to receive MCPPO designation to any municipality in the Commonwealth for whom the cost is a barrier. The \$100 fee associated with all designation applications and renewals has been eliminated.

To receive the free training for an employee, the chief municipal officer

selectboards decide how to further distribute the tax levy. These boards may decide within certain legal limits upon a single tax rate structure which distributes the tax levy in proportion to the share that their property class bears to the total assessed valuation of the community, or a multiple tax rate structure which shifts some of the taxes that would be paid by RO taxpayers under a single tax rate structure onto CIP taxpayers. These boards and councils may also decide to grant a residential exemption, an open space class discount and/or a small commercial exemption.

**By the Percentages**

Most communities do not shift the tax burden from the residential and open space classes to the other classes of real and personal property. Generally, the communities that do so have done so for many years. The chart below shows complete data for FY2020 to FY2023 and for 340 FY2024 communities. For the 11 tax rates yet to be certified, two (Monroe and Nantucket) shifted the burden in FY2023.

		Shifting the Burden						Communities Reporting
	No Shift	>100% to 110%	>110% to 130%	>130% to 150%	>150% to 174%	>174% to <175%	175%	
FY2020	243	7	18	17	35	9	22	351
FY2021	243	7	16	19	36	3	27	351
FY2022	243	7	16	21	29	8	27	351
FY2023	243	7	14	22	28	8	29	351
FY2024	232	9	9	22	24	16	28	340

**Tax Rates**

The [calculation of the annual tax rate](#) involves the efforts of many local officials as well as the citizenry who, in some cases, assemble data and in other cases vote financial policy. Timely tax rate setting is an important key to a successful financial operation and helps avert a cash shortfall, temporary borrowing costs and work-flow disruption in city and town hall financial offices.

Across the Commonwealth, residential tax rates increased in 40 communities and decreased in 300 communities. The highest FY2024 residential tax rate is Plainfield (\$21.42), while the lowest is Edgartown (\$2.55). The greatest dollar increase from FY2023 in a residential tax rate is Middlefield (\$3.29), while the greatest dollar

(Mayor, Manager/Administrator or Select Board Chair) must submit a [form](#) indicating the employee they wish to receive the training and an acknowledgement that obtaining the cost of training could be a factor in obtaining the designation.

If you want to learn more about the MCPPO designation, please visit our [website](#). If you have any questions, please email the OIG at [MA-IGO-TRAINING@mass.gov](mailto:MA-IGO-TRAINING@mass.gov).

[One Free Designee Application Form | Mass.gov](#)

## DLS Links:

[COVID-19 Resources and Guidance for Municipal Officials](#)

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

[Informational Guideline Releases \(IGRs\)](#)

[Bulletins](#)

[Tools and Financial Calculators](#)



decrease from FY2023 is Warwick (\$3.56). Commercial tax rates increased in 51 communities and decreased in 289 communities.

The highest FY2024 commercial tax rate is Holyoke (\$40.26) and the lowest is Edgartown (\$2.55). The greatest dollar increase from FY2023 in a commercial tax rate is Watertown (\$3.35), while the greatest dollar decrease is New Bedford (\$4.92).

We hope that you found this article informative. Data compiled for all the charts and graphs in this article can be found on the DLS website by clicking [here](#). Additional information, trainings and resources on this and a variety of other municipal finance subjects can be found [here](#).

## Ask DLS: Subsequent Owners

This month's *Ask DLS* features frequently asked questions relating to the effect of conveying property during the fiscal year with respect to exemptions. Please let us know if you have other areas of interest or send a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like to hear from you.

**1. How are taxes handled where Cindy Lou Who, a current owner, is receiving a veterans exemption on real property for fiscal year 2024 and the home will be sold to a new owner, the Grinch, who is not eligible for a veteran exemption, in November of 2023?**

The exemption is not pro-rated if a sale is made after July 1, 2023. Cindy Lou Who, the owner as of January 1, 2023, is liable for the full upcoming fiscal year 2024 property taxes and that liability does not change because she later sells her home. The veterans exemption Cindy Lou Who qualified for as of July 1, 2023 goes to the subject property and is applied to the assessed owner's tax bill by subtracting the amount of the exemption from the total tax owed for the fiscal year. Changes of ownership after July 1st are irrelevant to exemption qualification or allocation of tax liability. Typically, lawyers in a real estate transaction will adjust the purchase price to reflect tax benefits received and tax burdens being assumed. As a practical matter, the Grinch will have to pay taxes billed subsequent to the



closing to avoid a tax taking of the property. However, it is not the responsibility of the assessors to make any adjustment. Assessors assess taxes and apply exemptions in accordance with law.

**1A. The attorneys in the conveyance above made no such arrangements so the closing price did not take account of the reduction in the tax liability as a result of the exemption. Cindy Lou Who's holiday spending is tight, and she reaches out to the Assessor to see if Whoville will be mailing her a refund check. How should the assessor of Whoville advise Cindy Lou Who?**

Cindy Lou Who, the assessed owner for fiscal year 2024, is not entitled to a refund unless the property taxes for the entire fiscal year 2024 taxes are overpaid. As described above, Cindy Lou Who is still liable for the full amount of the assessed tax for the fiscal year. If the Grinch takes over the payment of the taxes for the remainder of the fiscal year after his purchase, no refund is due to Cindy Lou Who.

**2. The Grinch is a veteran who has owned and occupied a property in Anytown Massachusetts and received a veterans exemption in Anytown Massachusetts for fiscal year 2024. The Grinch sold his property in Anytown Massachusetts on July 7, 2023 and is elated (as much as he can be) that he acquired 11 Happy Lane in Whoville Massachusetts from Cindy Lou Who on July 20, 2023. The deed was recorded in the Registry on the same day. In this fact pattern, Cindy Lou Who, the assessed owner, did not qualify for a veteran's exemption. However, Cindy Lou Who and the Grinch entered into a Purchase and Sale Agreement for 11 Happy Lane on June 15, 2023. The Grinch visits the Whoville assessor and is quite insistent that he is eligible for a veterans exemption for the fiscal year 2024. Is the Grinch correct that is he is eligible?**

The Grinch is not eligible for exemption because he did not own the subject property in Whoville on July 1. The Purchase and Sale agreement entered into in June 2023 did not make the Grinch an owner, despite his protestations otherwise and despite him having

received a veteran's exemption in another Massachusetts municipality for the fiscal year 2024.

**3. Whoville has authorized a residential exemption to all Class One Residential properties that are the primary principal residence of taxpayers. Cindy Lou Who owned and occupied 11 Happy Lane in Whoville as her domicile on January 1, 2023. On November 13, 2023, Cindy Lou Who conveys 11 Happy Lane in Whoville to the Grinch. The Grinch visits the Whoville assessors and would like to know what effect the sale has on the residential exemption granted to Cindy Lou Who for the fiscal year 2024 taxes?**

The residential exemption is established by [G.L. c. 59, § 5C](#) and is part of property tax classification. Therefore, eligibility is determined as of the January 1 assessment and classification date for the fiscal year for which the exemption relates. Since Cindy Lou Who, the assessed owner, occupied the property as her domicile on January 1, 2023, the residential exemption applies to the fiscal year 2024 tax bill. Any change in ownership and occupancy of the property occurring after that date should not be considered by the assessors of Whoville when determining the eligibility for the exemption and the amount of the tax assessed on the property for fiscal year 2024.

**4. Whoville takes the Grinch's property by eminent domain on December 2, 2023. The Grinch visits the Whoville assessors and reasonably is asking about the taxes for fiscal year 2024 and fiscal year 2025.**

The Grinch is personally liable for the entire tax assessed for fiscal year 2024 because the eminent domain statute includes its own mechanism for allocating the taxes between the parties through the award of compensatory damages. Whoville is required to include as a separate element of damages payable to the Grinch the fiscal year 2024 taxes pro-rated from the date of taking until the end of the year which is June 30, 2024. [G.L. c. 79 § 12](#). This reimburses the Grinch for paying the portion of the taxes allocable to Whoville's ownership of the property.

The tax status of the property for fiscal year 2025 depends on several factors. If the taking occurred between July 1 and December 31, 2023, which is the case here, the parcel is to be removed from the tax rolls for that next fiscal year. Where the taking occurs between January 1 and June 30, however, the eminent domain statute requires that the damages also include taxes for the subsequent fiscal year. The property owner will be assessed as of January 1 for that year and therefore, will remain personally liable for paying those taxes as well. [G.L. c. 59, § 72A](#) does not apply to eminent domain.

**Editor:** Dan Bertrand

**Editorial Board:** Kasey Bik, Sean Cronin, Emily Izzo, Paula King, Lisa Krzywicki, Jennifer McAllister and Tony Rassias

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