



Informational Guideline Release

Bureau of Municipal Finance Law
Informational Guideline Release (IGR) No. 17-10
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Supersedes IGR 90-215 and Inconsistent Prior Written Statements

OMITTED AND REVISED PROPERTY TAX ASSESSMENTS

(G.L. c. 59, §§ 75 and 76)

This Informational Guideline Release (IGR) provides guidance to local officials about the requirements and procedures for making omitted and revised assessments.

Topical Index Key:

Assessment Administration
Personal Property

Distribution:

Assessors
Collectors

Supersedes IGR 90-215 and Inconsistent Prior Written Statements

OMITTED AND REVISED PROPERTY TAX ASSESSMENTS

(G.L. c. 59, §§ 75 and 76)

SUMMARY:

These guidelines explain the requirements and procedures for making omitted and revised property tax assessments under [G.L. c. 59, §§ 75 and 76](#).

These guidelines are in effect and supersede Informational Guideline Release (IGR) No. 90-215, *Omitted and Revised Assessments*, and any inconsistent prior written statements or documents.

GUIDELINES:

I. DEFINITION

The omitted or revised assessment procedure is a remedy used to assess property taxes in three circumstances:

- A. To assess or assess additional taxes on a real estate parcel or personal property account when it was omitted from or underassessed in the annual property tax commitment due to a clerical, data processing or other good faith error.
- B. To assess unreported or inaccurately reported items of personal property discovered by an audit of a personal property account.
- C. To assess roll-back taxes under [G.L. c. 61](#) (classified forestland), [c. 61A](#) (classified agricultural or horticultural land), and [c. 61B](#) (classified recreational land).

A. Assessment Errors

1. Grounds for Assessment

Each year the assessors discover, value, and classify taxable real and personal property, determine the assessed owner of the property and commit the taxes assessed for the fiscal year to the collector. After the annual commitment is made, the assessors may discover that some property owners were never assessed or were incorrectly assessed for the year. The omitted or revised assessment procedure may be used to rectify a failure to assess a parcel or personal property account, or errors in the valuation or classification of the property or the amount of the tax due, for the fiscal year that if known by the assessors before the actual commitment was made would have resulted in a tax or additional taxes being assessed on the real estate parcel or personal property account for the fiscal year.

The omission or error must be *unintentional or inadvertent*, i.e., the mistake results from some clerical, data processing, or other type of good faith reason. Typical examples are inadvertent errors made in the assessment administration process such as mistakes made in updating property records or applying valuation methodology.

Omissions or errors that resulted from intentional or considered action by the assessors at the time the assessments for the fiscal year were committed cannot be the reason for an omitted or revised assessment. For example, if the assessors determined that a property owner was exempt from taxation, the assessors cannot change their minds about the taxable status of the property after the actual commitment.

- a. **Omitted Assessment:** An omitted assessment may be made when the mistake resulted in the entire real estate parcel or personal property account being omitted from the actual commitment for the fiscal year. [G.L. c. 59, § 75](#). In other words, an omitted assessment is made when no taxes were assessed for the fiscal year on the parcel or account.

Examples of omitted assessments include situations where:

- (1) A parcel previously unknown because of a mapping error was discovered during a remapping project.
- (2) The property record for a parcel or account was inadvertently not entered.
- (3) A parcel was incorrectly identified as exempt because the incorrect code was entered in the assessors' records or information on the new owner was not timely received from the registry of deeds.

In communities that issue preliminary tax bills, the assessors may also use the omitted assessment procedure to commit a preliminary tax and issue a preliminary tax bill when an entire parcel or account is omitted from the preliminary tax commitment for the fiscal year. This commitment is for the sole purpose of allowing prepayment of a portion of taxes for the year when the actual tax has yet to be determined. The actual commitment, which establishes the amount each taxpayer actually owes for the year, supersedes any preliminary commitment.

- b. **Revised Assessment:** A revised assessment may be made when the mistake resulted in the tax on the parcel or personal property account being underassessed. [G.L. c. 59, § 76](#). In other words, a revised assessment is made when not enough taxes were assessed for the year due to a valuation, classification or other error.

Examples of revised assessments include situations where:

- (1) A property or personal property account was undervalued because some of the taxable valuation of the parcel or account was not included in the assessment. For example, a portion of the land, buildings or other structures or improvements that constitute the single parcel of real estate was not valued and assessed. Typical situations are where a new house, garage, deck, or item of personal property is not included in the assessment because the assessors did not know of its existence or because of a data processing error in entering the information in the assessors' records.

- (2) A property was undervalued because of a clerical or data processing mistake when applying the land or building valuation schedules.
- (3) A commercial property in a community with multiple tax rates was incorrectly classified as residential because the incorrect code was entered into the assessors' records or the assessors did not know there had been a change in the use of the property.

2. **Assessment Deadline**

The assessors have a limited period of time each year to make omitted or revised assessments to correct unintentional assessment errors. The assessors must make the assessment on the taxpayer owning that property by June 20, or 90 days after the actual tax bills for the fiscal year were mailed, whichever is later. [G.L. c. 59, § 75](#).

The deadline is the date by which the assessors must commit the omitted or revised assessment. If the omitted or revised assessment is not committed by the applicable deadline, the assessment is invalid.

B. **Personal Property Audit Assessments**

1. **Grounds for Assessment**

Assessors may examine the books, records, papers, and other data of a taxpayer who owns or may own taxable personal property to verify that a complete and accurate return of taxable personal property has been made for the fiscal year under [G.L. c. 59, § 29](#). [G.L. c. 59, § 31A](#). Audits are commenced by serving a summons on the taxpayer identifying the books, records, papers, and other data required to be produced, and indicating the time and place for the production to be made.

An omitted assessment is made when the audit reveals that the taxpayer owned taxable personal property situated in the city or town as of the assessment date, but no personal property account was assessed in the actual commitment for the year. [G.L. c. 59, § 75](#). A revised assessment is made if the taxpayer was assessed for personal property, but the audit reveals additional taxable personal property that was not reported in the annual return and included in the assessed account. [G.L. c. 59, § 76](#).

2. **Assessment Deadline**

Assessors who conduct audits of personal property accounts and discover unreported or inaccurately reported items of personal property may make omitted or revised assessments within three years and six months of the date the form of list for properly reporting the property was due or actually filed, whichever is later.

EXAMPLE
Required FY Deadlines for Audit Omitted/Revised Assessments

FY	Assessment Date	Form of List Due Date	Audit Omitted/Revised Deadline*
FY15	1/1/2014	3/1/2014	9/1/2017 (In FY18)
FY16	1/1/2015	3/1/2015	9/1/2018 (In FY19)
FY17	1/1/2016	3/1/2016	9/1/2019 (In FY20)
FY18	1/1/2017	3/1/2017	9/1/2020 (In FY21)

**If the form of list is filed after March 1, the deadline to make omitted or revised assessments is 3 years and 6 months from the date the list was actually filed.*

C. Roll-back Assessments

The omitted assessment procedure is used to assess roll-back taxes under [G.L. c. 61](#) (classified forestland), [c. 61A](#) (classified agricultural or horticultural land), and [c. 61B](#) (classified recreational land) for a disqualifying change in use of the classified land.

The deadlines that apply to omitted assessments for assessment errors or personal property audit assessments do not apply to roll-back assessments.

II. ASSESSMENT PROCEDURES

A. Assessments Generally

If the assessors discover property that has been omitted from or underassessed in the actual commitment due to an unintentional error or as a result of a personal property tax audit, they should prepare a commitment list for the additional assessment.

For omitted assessments, the assessors would include the same information on the relevant parcel or personal property account(s) as would appear in the original commitment. In the case of revised assessments, the commitment would include the amount of the additional taxes being assessed and all information on the subject parcel or personal property account that the collector needs to bill the taxpayer. The commitment must also include information enabling the collector to match the revised assessment with the original assessment on the same parcel or personal property account (for example, a reference to the page and line from the original commitment and the redetermined fair cash valuation).

Once the list is prepared, the assessors commit it with a warrant to the collector. State Tax Forms 62 (omitted) and 63 (revised) may be used for that purpose.

B. Audit Assessments

For assessments following personal property audits, the commitment must identify the fiscal year to which the omitted or revised assessment relates. If unreported, or inaccurately or incompletely reported, property was discovered for more than one fiscal year, the assessors must make separate omitted or revised assessments for each year.

Assessors should maintain the information necessary to explain the audit findings and substantiate omitted and revised assessments resulting from an audit in the event of an appeal. Assessors should retain copies of the original commitment information for the personal property account being audited (where applicable) and make a separate record of items of personal property newly assessed as a result of the audit. Assessors may find it useful to create and maintain an audit file containing, for example, the summons, records obtained in the course of the audit, original and omitted/revised assessment information, and a narrative account of the audit and its results.

C. Roll-back Assessments

If the assessors determine that a roll-back tax is due, they should commit the tax with a warrant to the collector. In addition, they should also provide the collector with information to include on the bill or in a statement accompanying the bill that explains the computation of the roll-back tax (for example, full and fair cash value, classified value, valuation credit, tax rate, tax and interest by year) and the procedure available to the taxpayer to appeal the roll-back tax assessment.

III. COLLECTION PROCEDURES

A. Bills

After receiving the commitment, the collector issues tax bills for the omitted or revised assessments. The bills should show the additional amount of taxes assessed on the parcel or account. In addition, the bill or a statement accompanying the bill should show: (1) the valuation, or change in valuation or classification, made to rectify the unintentional error, (2) the valuation or change in valuation made to assess the undeclared, incompletely listed, or underassessed personal property discovered in the course of an audit, or (3) the computation of the roll-back tax. The bill should explain the procedure available to the taxpayer to appeal the assessment.

B. Due Dates

1. Assessment Errors and Audit Assessments

a. Semi-Annual Tax Payment System

In communities using a semi-annual tax payment system, the payment due dates for omitted or revised assessments are the same as regular tax payments. One-half of the amount billed for the omitted or revised assessment is due on November 1, or 30 days after the bill was mailed, whichever is later, and the balance is due on May 1. If the bill for the omitted or revised assessment is mailed on or after April 1, the entire amount is due May 1, or 30 days from the date the bill was mailed, whichever is later. [G.L. c. 59, § 57](#).

b. Semi-annual or Quarterly Annual Preliminary Payment Systems

In communities using the quarterly tax payment system, or annual preliminary payment system on a semi-annual basis under [G.L. c. 59, § 57C](#), the entire amount billed for the omitted or revised assessment is due on May 1, or 30 days after the bill was mailed, whichever is later.

2. Roll-back Tax Assessments

Roll-back tax assessments are due 30 days after the bill is mailed.

C. Interest

Interest on a delinquent assessment is charged from the due date. [G.L. c. 59, § 57](#); [G.L. c. 59, § 57C](#).

IV. TAXPAYER APPEALS

The taxpayer may appeal an omitted or revised assessment by filing an application for abatement with the assessors.

Taxpayers must file an application for abatement of a roll-back tax within 30 days of the date the bill for the tax was mailed. Abatement applications for other omitted or revised assessments are due within three months of the date the bill for the assessment was mailed. [G.L. c. 59, § 59](#).

V. ANNUAL REPORT

A. Fiscal Year Report

The assessors must submit an “Omitted and Revised Assessment Report” to the Bureau of Local Assessment for each fiscal year whether or not they have additional assessments for that year to report. The report is submitted through Gateway On-line. [Instructions](#) for completing it are found on the [DLS website](#) and under the Tax Rate tab within Gateway.

B. Report Form and Content

The report shows the total amount of additional valuation and taxes levied as omitted and revised assessments to correct unintentional assessment errors, or assess taxable personal property discovered during an audit, for the fiscal year reported. Omitted and revised assessments made during the reported year for audited personal property accounts of a prior fiscal year are reported on the Audited Personal Property line of the Amended Tax Base Growth Report (LA-13A), not on the Omitted and Revised Assessment Report.

In a separate section, the assessors report all roll-back taxes assessed during the reported year.

The assessors must also certify the date by which all reported omitted and revised assessments made to correct unintentional assessment errors or assess taxable personal property discovered during an audit were committed and upload copies of all commitment lists for the reported assessments and roll-back taxes.

Supporting documentation should be retained in the Assessors' Office for at least 5 years in the event of a Bureau of Local Assessment audit.

C. Report Deadline

The assessors must submit the report within 10 days of the deadline for committing omitted and revised assessments for the fiscal year reported. That means the report is due by June 30 for all cities and towns that mailed the actual tax bills on or before March 22. In all other cities and towns, the report is due 100 days after the date the tax bills were mailed. [G.L. c. 59, § 75](#).

D. Department of Revenue Review

The Bureau of Local Assessment will review the “Omitted and Revised Assessment Report” submitted by the assessors. The assessors must submit any additional information the Bureau requests in order for it to determine that the omitted and revised assessment procedure is properly used.