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Informational Guideline Release

Property Tax Bureau
Informational Guideline Release (IGR) No. 05-203
February 2005

FISCAL YEAR 2006 TAX BILLS
SEMI-ANNUAL PAYMENT SYSTEM – ANNUAL PRELIMINARY BILLS

(G.L. Ch. 59 §57C and Ch. 60 §§3 and 3A)

This Informational Guideline Release (IGR) explains the requirements and procedures for implementing a semi-annual preliminary tax payment system in Fiscal Year 2006 and provides "model" preliminary tax bills, actual tax bills and demands for use by cities, towns and districts that have adopted that system.

This **new billing option** for communities wishing to retain semi-annual payments was enacted in 2004, with necessary technical amendments made in 2005. As with a quarterly tax payment system, a preliminary tax bill is issued annually by July 1. Preliminary bills are due October 1 if mailed by August 1. If mailed after August 1, however, they are due November 1, or 30 days after mailing, if later. Actual tax bills are due April 1 if mailed by December 31. If mailed after December 31, however, they are due May 1, or 30 days after mailing, if later. Interest accrues on unpaid installments from their due dates. Under this system, abatement applications will be due April 1, if actual tax bills are mailed by December 31, or May 1, or 30 days after mailing, if later, if mailed after December 31.

Questions may be referred to the Property Tax Bureau.

Topical Index Key:	Distribution:
Assessment Administration	Assessors
Tax Bills	Collectors

The Division of Local Services is responsible for oversight of and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management. The Division regularly publishes IGRs (Informational Guideline Releases detailing legal and administrative procedures) and the Bulletin (announcements and useful information) for local officials and others interested in municipal finance.

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Model Taxpayer Informational Enclosure
Model Preliminary Tax Bills, Tax Bills and Demands

Informational Guideline Release (IGR) No. 05-203
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FISCAL YEAR 2006 TAX BILLS
SEMI-ANNUAL PAYMENT SYSTEM – ANNUAL PRELIMINARY BILLS

(G.L. Ch. 59 §57C and Ch. 60 §§3 and 3A)

General Laws Chapter 59, Section 57C, authorizes cities and towns that accept its provisions to implement a semi-annual preliminary tax payment system.

These guidelines set forth requirements and procedures for implementing the semi-annual preliminary tax payment system in Fiscal Year 2006 by communities that have adopted it and establish requirements for the form and content of tax bills in those communities.

Semi-annual Preliminary Tax Payment System Features

If a city or town accepts G.L. Ch. 59 §57C, and adopts a semi-annual preliminary tax billing system, property tax payments for that community, <u>and that portion of a tax levying district within it</u>, will ordinarily be made on this schedule: October 1 and April 1. Under the semi-annual preliminary billing system:

- The assessors make a preliminary tax commitment each year in sufficient time for the collector to mail preliminary tax bills by July 1.

- The preliminary tax is based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50 percent of that amount. The prior year's net tax may be adjusted, however, to reflect the annual 2.5 percent tax increase allowed under Proposition 2½ and any tax increase attributable to approved overrides or exclusions.

- The collector mails the preliminary tax bills each year by July 1.

- The preliminary tax is payable in a single installment due on October 1.

- Preliminary bills may be mailed after July 1, with the approval of the Commissioner of Revenue. The Commissioner may establish conditions for obtaining that approval, including the requirement that a pro forma recapitulation sheet be submitted.

- In the case of late billing, the preliminary tax is still due on October 1 if the bills are mailed on or before August 1.

- If the bills are mailed after August 1, however, the preliminary tax is due on November 1, or 30 days after the bills are mailed, whichever is later.

- After the city or town sets its tax rate, the assessors make the actual tax commitment and the collector mails actual tax bills for the year.

- If actual tax bills are mailed on or before December 31, the balance after the preliminary tax is credited against the actual tax is due on April 1.

- Actual tax bills mailed after December 31, however, are payable May 1, or 30 days after the tax bills are mailed, whichever is later.

- The entire amount billed as an omitted or revised assessment is due on May 1, or 30 days after the bill is mailed, whichever is later.

- Interest on delinquent preliminary, actual, omitted and revised tax payments is charged from the due date, *i.e.*, only for the number of days the payment is actually unpaid and overdue.

GUIDELINES:

I. LOCAL ACCEPTANCE AND ADOPTION

A. Vote of Legislative Body

A semi-annual preliminary tax payment system may only be used in cities and towns that have accepted G.L. Ch. 59 §57C and specified that the acceptance is for the purpose of adopting or establishing a semi-annual preliminary tax payment system. Acceptance and adoption requires a majority vote of town meeting, town council or city council.

B. Effective Date

In cities and towns that accept the statute before July 1, 2005, the semi-annual preliminary tax payment system must be implemented for FY06 unless another implementation date is specifically designated by the town meeting, town council or city council vote.

A city or town intending to implement the semi-annual preliminary tax payment system for the first time in FY06 should vote to accept the statute and establish the system as soon as possible in order to allow sufficient time for the assessors and collector to prepare for a July 1 preliminary tax billing.

C. Districts

The decision of a community to use a semi-annual preliminary tax payment system also governs the assessment and collection of property taxes for that portion of a tax levying district located within the community.

II. PRELIMINARY TAX COMMITMENT AND BILLING

The assessors in communities that use a semi-annual preliminary tax payment system for FY06 are to make a preliminary tax commitment in sufficient time for the collector to prepare and mail preliminary tax bills by July 1, 2005.

A. Preparation of FY06 Assessment Roll

The assessors must prepare the legal file that will be used for FY06 tax commitment and billing. This file will be used for both the preliminary and actual tax commitment and billing. Therefore, it must identify all real property parcels and personal property accounts subject to taxation in FY06 and the person(s) to be assessed FY06 taxes on those parcels and accounts.

For the assessors to make the preliminary tax commitment in sufficient time for the collector to issue preliminary tax bills by July 1, it is essential that the assessors begin updating the legal file as soon as the information on the following becomes available:

1. Ownership changes as of January 1, 2005.
2. Lot splits, subdivisions and condominium conversions as of January 1, 2005.
3. Personal property accounts as of January 1, 2005.

B. Determination of Preliminary Tax

After completing the legal file, the assessors must determine the FY06 preliminary tax for each parcel and account in the file. The basis for determining the amount of the FY06 preliminary tax is the adjusted net tax due on the parcel or account in FY05. The FY06 preliminary tax does not represent an estimate of the actual taxes due in FY06. Under no circumstances is it to be based on FY06 valuation and tax rate projections.

1. Maximum Amount

The maximum amount of the FY06 preliminary tax may not exceed 50 percent of the net tax due on the parcel or account in FY05, as adjusted according to the instructions in Section II-B-3 and 4 below.

2. Net Tax Due in FY05

For each parcel or account, the assessors must determine the net tax due on the property in FY05. The net tax due is calculated by:

a. Determining the amount of the tax assessed on the parcel or account in FY05.

b. Adding the amount of betterments, special assessments, water and sewer liens and any other charges that were added to and became part of the FY05 tax.

c. Subtracting the amount of taxes abated or exempted in FY05.

The assessors should exclude betterments, special assessments, water and sewer liens and other charges added in FY05 from the calculation of the net tax due if they decide to bill FY06 betterments, special assessments, water and sewer liens and other charges with the preliminary tax (See Section II-C-2 below). In other words, the net tax due in those communities should be based solely on the FY05 property tax, as abated or exempted.

In other communities, the net tax due may also be based solely on the FY05 property tax, as abated or exempted. If assessors include FY05 betterments, special assessments, water and sewer liens and other charges in the net due calculation, however, they should do so uniformly for all applicable parcels.

EXAMPLE
Determining Net Tax Due

		Ex. 1	Ex. 2	Ex. 3
FY05 Tax		$1000	$1000	$1000
Betterments, Special Assessments, Water/Sewer Liens, Charges Added to FY05 Tax, except if Billing FY06 Charges with Preliminary Tax	+	0	200	200
FY05 Tax Abated/Exempted	-	250	0	250
FY05 Net Tax Due		$ 750	$1200	$ 950

3. Individual Adjustments in Net Tax Due

The net tax due as determined according to the instructions in Section II-B-2 above may be adjusted by the assessors for some individual parcels or accounts. Adjustments may only be made in the following situations.

a. Property Destruction

There has been a change in the condition of the property that will result in a significant reduction in valuation and taxes in FY06.

For example, a property consisted of land and a single-family home as of January 1, 2004, with the FY05 assessed valuation of and taxes on the house representing 75 percent of the total. A fire destroys the house and there has been no effort to rebuild. Therefore, FY06 taxes will be assessed on the land only. The assessors may reduce the net tax due accordingly. In this case, the assessors could base the preliminary tax on the net tax that would have been due on the property in FY05 if taxes had been assessed on the land only.

b. New Construction

There has been a change in the condition of the property that will result in a significant increase in valuation and taxes assessed in FY06.

For example, a property consisted of vacant land as of January 1, 2004 and FY05 taxes were assessed on that basis. A single family home is constructed on the lot. Therefore, FY06 taxes will be assessed on the land and new improvement. The assessors may increase the net tax due accordingly. In this case, the assessors could base the preliminary tax on the net tax that would have been due on the property in FY05 if taxes had been assessed on the improved property.

c. Loss of Personal Exemption

There has been a change in ownership or other factor that will result in loss of qualification for an exemption granted in FY05 and an increase in the taxes due on the property in FY06.

For example, an elderly person owned real property and qualified for an exemption under G.L. Ch. 59 §5(41C) in FY05. As a result, the net tax due in FY05 was $500, rather than $1,000. Before July 1, 2005, the property was sold. The assessors may increase the net tax due accordingly. In this case, the assessors could base the preliminary tax on the net tax that would have been due on the property in FY05 if the exemption had not been granted.

d. Parcel Returned to Tax Rolls/New Personal Property Account

There is property subject to taxation for the first time in FY06 due to the return of an exempt parcel of real property or the addition of a new account of personal property to the tax rolls.

For example, a charitable organization owned real property and qualified for an exemption under G.L. Ch. 59 §5(3) in FY05. No tax was assessed. The property was sold and as of January 1, 2005 will be assessed to the new owner, a business corporation. Even though the net tax due would otherwise be $0, the assessors may adjust it upwards. In this case, the assessors could base the preliminary tax on the net tax that would have been due on the property in FY05 if the exemption had not been granted.

e. Parcel Divisions

There has been a lot split, subdivision, condominium conversion or other parcel division between January 1, 2004 and January 1, 2005.

For example, a parcel consisted of 3 acres of vacant land on January 1, 2004 and was assessed as a single parcel in FY05. The net tax due in FY05 on that parcel was $900. During 2004, the parcel was subdivided into 3 "new" parcels, each consisting of 1 acre of vacant land and for FY06, the 3 new parcels will be assessed separately for the first time. An apportionment of the net tax due in FY05 on the undivided parcel would ordinarily result in a net tax due of $300 on each of the "new" resulting parcels. However, the assessors may increase the net tax due on each "new" parcel to reflect the parcel division. In this case, the assessors could base the preliminary tax on the net tax that would have been due if taxes had been assessed separately on the "new" parcels in FY05.

4. Tax Increase Adjustment in Net Tax Due

The net tax due as determined according to the instructions in Section II-B-2 and 3 above may also be adjusted by a tax increase factor.

That factor may not exceed 2.5 percent, plus the percentage any FY06 Proposition 2½ override or exclusion approved by the voters increases the FY05 tax levy. This adjustment is intended to spread any current year tax increases more evenly over the two installment payments, but it is not required. Any adjustment made, however, must be uniformly applied to all parcels and accounts.

5. Preliminary Tax Amount

Once the assessors have determined the net tax due for each parcel and account according to the instructions in Sections II-B-2 3 and 4 above, the FY06 preliminary tax is then calculated by multiplying the net tax due by a percentage that may not exceed 50 percent. The percentage selected must be uniformly applied to all parcels and accounts within the municipality or district.

EXAMPLE
Determining Preliminary Tax

		Ex. 1	Ex. 2	Ex. 3
FY05 Net Tax Due		$ 750	$1200	$950
Tax Increase Adjustment (Optional) (2.5% + 0.5% for Override/Exclusion)	x	1.03	1.03	1.03
Adjusted Net Tax Due		772.50	1236.00	978.50
Selected Percentage (Not to Exceed 50%)	x	50%	50%	50%
FY06 Preliminary Tax		$386.25	$618	$489.25

5. Preliminary Tax Calculation Examples

The following page illustrates how the preliminary tax is calculated in the various situations discussed in Section II-B-2, 3 and 4 above.

PRELIMINARY TAX CALCULATION EXAMPLES

	Ex. 1	Ex. 2	Ex. 3	Ex. 4	Ex. 5	Ex. 6
Type of Property Change FY05 to FY06 Assessment Roll	None	Condition (2004 fire destroys house)	Condition (house built in 2004)	Exempt Status (Sold to Non-Qualifying Person)	Exempt Status (Sold to Non-Exempt Organization)	Taxable Unit (3 Acre Parcel Divided into 3 1 Acre Lots)
FY05 Tax	$1000	$1000 (lot and house)	$ 250 (lot only)	$1000	$ 0 (charitable exemption)	$1000
Betterments, Special Assessments, Liens, Charges Added to FY05 Tax +	200	0	100	0	0	0
FY05 Tax Abated/Exempted -	250	0	0	500 (elderly exemption)	0	100
FY05 Net Tax Due	950	1000	350	500	0	900 (undivided parcel)
Individual Adjustments in Net Tax Due		250 (Reduce tax to 250 - reflects tax if land only assessed in FY05)	1100 (Increase tax to 1000 - reflects tax if house also assessed in FY05)	1000 (Disregard exemption - reflects tax if exemption not granted in FY05)	1000 (Change tax to 1000 - reflects tax if exemption not granted in FY05)	500 each (Increase apportioned tax of $300 each on new lots - reflects tax on each lot if taxed separately in FY05)
3% Tax Increase Adjustment in Net Tax Due (2.5% + 0.5% for Override/Exclusion)	978.50	257.50	1133	1030	1030	515
Selected Percentage (Not to Exceed 50%)	50%	50%	50%	50%	50%	50%
FY06 Preliminary Tax *	489.25	128.75	566.50	515	515	257.50 each

*** FY06 Preliminary Tax equals FY05 Net Tax Due (<u>or</u> Adjusted Net Tax Due) x Selected Percentage**

C. **Preliminary Tax Commitment and Billing**

1. General

The provisions of law regarding the procedures for issuing, mailing and collecting property tax and betterment assessments apply to the preliminary tax committed in communities using a semi-annual preliminary tax payment system.

2. Preliminary Tax Commitment

Once the assessors have completed the legal file and have determined the amount of preliminary tax to be assessed on each parcel and account, they must commit the preliminary tax with a warrant to the collector.

<u>The assessors may also commit with the preliminary tax any of the betterments, special assessments, liens or other charges that are to be added to the FY06 tax on the property for collection purposes</u>. These special assessments and charges will then be payable at the same time as the preliminary tax.

<u>The assessors should make the FY06 preliminary tax commitment in sufficient time for the collector to prepare and mail preliminary tax bills by July 1, 2005</u>.

a. Commitment List

The commitment list must contain, at a minimum, (1) the name of the taxpayer(s), (2) an identification of the property and (3) the amount of the preliminary tax. The property identification must be sufficient to allow the collector to properly credit the preliminary tax to the actual tax assessed and committed for FY06. For example, the map, block and lot number, the account number or other unique identifier may be used.

The commitment list must also show the (1) preliminary tax and (2) for real property parcels in communities billing betterments, special assessments, liens or other charges with the preliminary tax, the type, amount and committed interest for each assessment billed.

b. Warrant

Regular real estate and personal property warrants may be used if modified to indicate that they are for preliminary taxes under the provisions of G.L. Ch. 59 §57C.

3. Bill Form and Content

Preliminary tax bills for communities using a semi-annual preliminary tax payment system in FY06 must meet the requirements for form and content set forth in this guideline. Only bills that meet these requirements may state "This form approved by Commissioner of Revenue." The attached "model" preliminary tax bills 1(S/AP) (real estate) and 2(S/AP) (personal property) meet these requirements.

a. Content

Preliminary tax bills for FY06 must include:

(1) Fiscal Year - The bills must be captioned "Fiscal Year 2006 Preliminary Real Estate Tax Bill" or "Fiscal Year 2006 Preliminary Personal Property Tax Bill."

(2) Taxpayer Information - The names(s) and mailing address of the person(s) assessed the tax must be shown.

If the person assessed the tax is not the owner when the bills are mailed, the bill may be mailed in care of the current owner(s). In that case, the bill must show the name of the person(s) assessed the tax and the name(s) and mailing address of the current owner(s).

(3) Property Identification and Location - Sufficient information to identify the parcel of real property or personal property account must be shown.

(a) For real property parcels, this information must include the location by street and number, if any, and the map, block and lot number or other unique identifier used by the assessors to identify the property. Other identifying information, such as a deed reference, may be included but is not required.

(b) For personal property accounts, this information should include any unique identifier such as account number used by the assessors to identify the property.

(4) Special Assessment Information - For real property parcels, the following information must be shown for any betterments, special assessments, liens or other charges being billed with the preliminary tax:

- Type of each assessment added - The type may be listed by code, provided the code is shown.
- Amount of each assessment added.
- Committed interest added for each assessment.
- Total special assessments and committed interest added to the tax.

(5) Tax Information - The following tax information must be shown:

(a) For real property parcels, the total Preliminary Tax assessed must be shown.

In addition, the Total Preliminary Tax and Special Assessments must be shown. This represents the total preliminary tax and special assessments, including committed interest, being billed with the preliminary tax.

(b) For personal property accounts, the total Preliminary Tax assessed must be shown.

(6) Payment Information - The following payment information must be provided:

- Amount payable by October 1, 2005 or if bill is mailed after August 1, 2005, amount payable by November 1, 2005 (or 30 days after mailing of tax bill, whichever is later).

(7) Payment Instructions - The bill must include instructions on making payments that should include at a minimum the following:

- Checks are payable to the city/town.
- The address to mail payments.
- The Collector's Office hours.

(8) Billing/Appeal Rights Information -

- The bill must include the following statement on interest computation "Interest at the rate of 14% per annum will accrue on overdue payments from the due date until payment is made."

- The reverse side of the bill must provide the billing and appeal rights information shown in Models 1(S/AP) (real estate) and 2(S/AP) (personal property).

Preliminary tax bills may not contain any actual or proposed FY06 valuations or tax rates.

b. Form

Cities and towns may use the format shown in the models or may adapt the format to local specifications, provided that the format used presents the required content to the taxpayer in a clear and

4. Mailing Deadline

There is no deadline for mailing the FY06 preliminary tax bills, although the collector must mail them by August 1, 2005 for the preliminary installment to be due on the regular schedule. Whenever possible, however, collectors should mail the bills on or before July 1, 2005. **Collectors are authorized by these guidelines to issue the bills after July 1, 2005, but not later than October 1, 2005. Upon written request, communities may also be given specific authorization by the Commissioner to issue the bills after October 1.** The Commissioner may require the submission of a balanced "Pro Forma" Recapitulation Sheet from those communities, depending on the individual circumstances.

5. Taxpayer Informational Enclosure

In communities implementing a semi-annual preliminary tax payment system for the first time in FY06, a separate enclosure explaining the new payment system should be included with all preliminary tax bills mailed. The attached "model" informational release may be used for that purpose.

6. Payment Due Date

If the FY06 preliminary tax bills are mailed on or before August 1, 2005, the preliminary tax (including betterments, special assessments, liens and other charges billed with the preliminary tax) is due and payable on October 1, 2005.

If, for any reason, the FY06 preliminary tax bills are mailed after August 1, 2005, the preliminary tax is due and payable November 1, 2005, or 30 days after the bills are mailed, whichever is later.

7. Interest

Interest accrues at the rate of 14 percent a year on delinquent preliminary tax installments. Interest is computed on the unpaid and overdue amount from the installment due date until payment is made.

Therefore, if FY06 preliminary tax bills are mailed on or before August 1, 2005, interest on delinquent payments is computed from October 1, 2005, until payment is made.

If FY06 preliminary tax bills are mailed after August 1, 2005, interest on delinquent tax payments is computed from November 1, 2005, or the payment due date, whichever is later, until payment is made.

D. Administrative Procedures and Remedies

1. Omitted Parcels and Accounts

If a parcel or account is omitted from the commitment of FY06 preliminary taxes, the assessors may commit a preliminary tax and issue a preliminary tax bill for that property under G.L. Ch. 59 §75 regarding omitted assessments. See Property Tax Bureau Informational Guideline Release No. 90-215 *Omitted and Revised Assessments* for the specific procedures to use.

If mailed on or before August 1, 2005, the preliminary tax bill for the omitted parcel or account is due and payable on October 1, 2005. If the bill is mailed after August 1, 2005, it is due and payable on November 1, 2005, or 30 days after the bill is mailed, whichever is later. Interest on delinquent payments for omitted preliminary taxes is computed from the due date until the date payment is made.

2. Incorrect Name

If a preliminary tax was committed and bill issued in the name of the incorrect person(s) and the preliminary tax has not been paid in full, the assessors should reassess the preliminary tax and reissue the bill in the name of the proper person(s) under G.L. Ch. 59 §77 regarding reassessment.

The assessors may use State Tax Form 44 to make the reassessment if modified to indicate that it is for preliminary taxes under G.L. Ch. 59 §57C. The collector should then send the proper person(s) a bill for the preliminary tax. The bill to be used should be modified to indicate that the bill is for a reassessed preliminary tax. Interest automatically accrues with the reassessment and is computed from the dates on which it would have been computed on the original bill.

3. Abatement of Incorrect or Excessive Preliminary Tax

If the assessors determine that the amount of preliminary tax committed for a parcel or account exceeds the amount that should have been assessed under the calculation method they used, they may adjust the amount by abating the excess that remains unpaid. See Section II-B above.

The assessors may abate preliminary taxes at any time before the commitment of the actual tax either on their own motion or upon a taxpayer's written application. The taxpayer's application need not be in any particular form. An abatement of preliminary taxes should be processed in the same manner as abatements of real estate and personal property taxes, except that any amounts abated are to be charged to preliminary tax receipts not to the FY06 overlay account. Any forms used in processing an abatement should be modified to indicate that they are for preliminary taxes under G.L. Ch. 59 §57C.

Example No. 1. Taxpayer A's FY05 real estate tax was $1000. Taxpayer A was granted an abatement of $200. Thus, the FY05 tax was $800, which after a tax increase adjustment of 2.5%, resulted in an adjusted FY05 net tax due on this property of $820. Under G.L. Ch. 59 §57C, Taxpayer A's FY06 preliminary tax cannot exceed $410. However, the taxpayer received a preliminary tax bill of $512.50 because the abatement was not included in the calculation of the FY05 net tax due. The assessors should abate all or as much of the $102.50 overcharge that is unpaid.

Example No. 2. Taxpayer B's FY05 real estate tax was $1000 to which $2000 in delinquent water charges were added. Taxpayer B paid the tax and charges in full. Because of the delinquent charges, the FY05 tax was $3000, which after a tax increase adjustment of 2.5%, resulted in an adjusted FY05 net tax due on this property of $3075. Under G.L. Ch. 59 §57C, Taxpayer B's FY06 preliminary tax cannot exceed $1537.50 and a preliminary tax bill was issued in that amount.

However, in this case where the FY05 net tax due included charges of a substantial amount and non-recurring nature that have been paid, the assessors may abate the preliminary tax to an amount that would be more representative of the preliminary tax the taxpayer would typically be required to pay. Here, for example, the assessors may recalculate the preliminary tax based on the FY05 real estate tax only (50% of ($1000 x 1.025) = $512.50) and abate all or any portion of the difference that remains unpaid ($1537.50 - $512.50 = $1025).

4. Property Divided After January 1

If a parcel is divided by sale, mortgage, partition or otherwise after January 1 and the division has been recorded at the Registry of Deeds, the assessors may apportion the preliminary tax, including interest, assessed on that parcel among the divided parcels under G.L. Ch. 59 §78A regarding apportionment if a written request is made by the owner of any of the divided parcels.

The assessors may use State Tax Form 175 to make the apportionment and State Tax Form 176 to notify all interested parties if the forms are modified as appropriate to indicate they are for preliminary taxes under G.L. Ch. 59 §57C.

If the assessors apportion a preliminary tax, they should also apportion the actual tax as soon as possible after commitment. See Property Tax Bureau Informational Guideline Release No. 92-207 *Apportionment of Taxes* for the specific procedures to use.

III. ACTUAL TAX COMMITMENT AND BILLING

A. Actual Tax Commitment

Once valuations as of January 1, 2005 are established for all taxable real property parcels and personal property accounts and the FY06 tax rate is set, the assessors will determine the total tax assessment on each parcel and account for FY06 and will commit those taxes with a warrant to the collector.

There is no deadline for making the actual tax commitment. <u>However, the assessors must make the FY06 actual tax commitment in sufficient time for the collector to prepare and mail actual tax bills by December 31, 2005 if the balance of the FY05 tax is to be payable on the regular schedule.</u> See Section III-D below.

B. Preliminary Tax Credit and Actual Tax Payment

Upon receipt of the commitment, the collector must credit the <u>committed</u> (<u>not</u> paid) preliminary tax (including betterments, special assessments, liens and charges billed with the preliminary tax) to the actual tax assessed (including <u>all</u> betterments, special assessments, liens and charges being added to the tax for FY06). However, if an abatement of the preliminary tax, or added special assessment, was made, the credit should only be for the amount of the preliminary tax or special assessments as abated, not as committed.

The collector will then issue FY06 tax bills which set forth (1) the total tax assessed for the fiscal year, (2) the special assessments added to the tax for the fiscal year, (3) the amount of the preliminary tax and special assessment credit, and (4) the balance of the FY06 tax and special assessments owed.

EXAMPLE
Determining Actual Tax Balance

		Ex. 1	Ex. 2	Ex. 3	Ex.4
FY06 Tax		$1000	$1000	$1000	$1000
Betterments, Special Assessments, Water/Sewer Liens, Charges Added to FY06 Tax	+	0	200	200	0
FY06 Preliminary Tax	-	500	500	500	0
Betterments, Special Assessments, Water/Sewer Liens, Charges Billed with FY06 Preliminary Tax	-	0	200	150	0
FY06 Tax and Special Assessment Balance		$ 500	$500	$550	$1000

C. **Bill Form and Content**

Actual tax bills for communities using a semi-annual preliminary tax system in FY06 must meet the requirements for form and content set forth in this guideline. Only bills that meet these requirements may state "This form approved by the Commissioner of Revenue." The attached "model" actual tax bills 3(S/AP) (real property) and 4(S/AP) (personal property) meet these requirements.

1. Content

Actual tax bills for FY06 must include:

a. Assessment Date/Fiscal Year - The bills must be captioned "Fiscal Year 2005 Real Estate Tax Bill" or "Fiscal Year 2006 Personal Property Tax Bill" and must state the assessment date of January 1, 2006.

b. Taxpayer Information - The name(s) and mailing address of the person(s) assessed the tax must be shown.

If the person assessed the tax is not the owner when the bills are mailed, the bill may be mailed in care of the current owner(s). In that case, the bill must show the name of the person(s) assessed the tax and the name(s) and mailing address of the current owner(s).

c. <u>Property Identification and Location</u> - Sufficient information to identify the parcel of real property or personal property account must be shown.

(1) For real property parcels, this information must include the location by street and number, if any, and the map, block and lot number or other unique identifier used by the assessors to describe the property. Other identifying information, such as a deed reference, may be included but is not required.

(2) For personal property accounts, this information should include any unique identifier such as account number used by the assessors to describe the property.

d. <u>Property Description</u> - A description of the taxable parcel or account must be provided.

(1) For real property parcels, a separate description of the land and buildings or other improvements must be shown. The land description <u>must</u> include the land area of the parcel. General terms such as land, building, improvement, structure or residence are sufficient although more detailed descriptions should be used where practicable.

(2) For personal property accounts, a separate description of the types of personal property must be shown. General terms such as inventory or machinery are sufficient.

e. <u>Valuation Information</u> - The following valuation information must be provided:

(1) For real property parcels, the <u>Total Valuation</u> of the parcel must be shown. This will be the total assessed valuation of all land, buildings and other improvements comprising the parcel. <u>A separate value for land and for buildings and other improvements no longer must appear on the bill</u>.

In addition, communities with classified tax systems (i.e., those communities certified by the Commissioner as assessing property at full and fair cash value in FY04, FY05 and FY06) must include:

- Classification - The usage classification of the described land and buildings as Class 1 Residential, Class 2 Open Space, Class 3 Commercial or Class 4 Industrial.

  If a parcel is a multiple class property, the allocation of the total valuation by usage class must also be shown.

- Residential/Small Commercial Exemption - If a residential or small commercial exemption has been adopted, the amount of the assessed valuation that has been exempted must be shown for applicable parcels.

  The residential and small commercial exemptions are the only exemptions that may be shown on the tax bill.

- Total Taxable Valuation - The total taxable valuation must be shown. The taxable value will be the total valuation, except where a residential exemption has been applied.

(2) For personal property accounts, the assessed Value of each type of personal property shown in the description must be stated separately.

In addition, the Total Valuation of all personal property must be stated.

f. Special Assessment Information - For real property parcels, the following information for betterments, special assessments or other charges added to the FY06 tax for collection purposes must be shown whether or not the charges were billed with the preliminary tax:

- Type of each assessment added. The type may be listed by code, provided the code is shown.
- Amount of each assessment added.
- Committed interest added for each assessment.
- Total special assessments and committed interest added to the tax.

g. Tax Rate Information - The total tax rate per $1000 of assessed valuation must be stated.

In addition, communities with classified tax systems must show these rates for each class of real property: Class 1 Residential, Class 2 Open Space, Class 3 Commercial and Class 4 Industrial.

h. Tax Information - The following tax information must be shown:

(1) For real property parcels, the total Real Estate Tax assessed must be shown.

In addition, the Total Tax and Special Assessments Due must be shown. This represents the total real estate tax and special assessments, including committed interest, added to the tax.

(2) For personal property accounts, the total Personal Property Tax assessed must be shown.

i. Payment Information - The following payment information must be provided:

- Amount of preliminary tax and special assessments previously billed.
- Amounts paid or abated since preliminary tax bill issued.
- Amount of preliminary tax installment payment overdue.
- Amount of interest on overdue preliminary tax installment payments to date bill issued.

- Balance of FY06 tax due and payable by April 1, 2006 <u>or</u> if bill is mailed after December 31, 2005, amount payable by May 1, 2006 (or 30 days after mailing of tax bill, whichever is later). **<u>The exact due dates must appear on the bill</u>**. Printing the statutory due dates (*i.e.*, April 1, 2006) alone is not sufficient unless bills were mailed on or before December 31, 2005. Nor is simply printing the bill issuance date with a notice that payment is due in 30 days, if the bills were mailed after April 1, 2006.

j. <u>Payment Instructions</u>- The bill must include instructions on making payments that should include at a minimum the following:

- Checks are payable to the city/town or district.
- The address to mail payments.
- The Collector's Office hours.

k. <u>Billing/Appeal Rights Information</u> -

- The bill must include the following statement on interest computation "Interest at the rate of 14% per annum will accrue on overdue payments from the due date until payment is made."

- The bill must state the **<u>last date abatement applications</u>** may be filed with the assessors. **<u>The exact due date must appear on the bill, and it must be the same due date given for the installment payment</u>.** The language used in the statement may vary depending on the availability of space, but the following are preferred:

    ABATEMENT APPLICATIONS TO ASSESSORS DUE: _______________, 2006.

    <u>or</u>

    DEADLINE FOR FILING ABATEMENT APPLICATIONS WITH ASSESSORS: _____________, 2006.

    <u>or</u>

    ABATEMENT APPLICATIONS MUST BE FILED WITH THE ASSESSORS BY ______________, 2006.

- The reverse side of the bill must provide the billing and appeal rights information shown in Models 3(S/AP) (real estate) and 4(S/AP) (personal property).

l. Overdue Taxes and Charges – For real property parcels, the bill must include a general statement of delinquency if: (1) any real estate taxes assessed for any prior fiscal year, or (2) any other taxes, betterments, special assessments or charges not added to the current year's tax that constitute liens on the same parcel, are overdue. A tax or charge is considered overdue if delinquent for more than 90 days before the date FY06 taxes are committed.

(1) Form

The statement should appear in a location that is separate from the special assessment and payment information displayed for the current fiscal year.

(2) Content

The language used in the statement may vary depending on the availability of space and system capabilities, but the following are **examples of the type of general language that may be used**:

OTHER TAXES OR CHARGES ARE PAST DUE. SEE (COLLECTOR/TREASURER).

or

PARCEL IN TAX TITLE FOR DELINQUENT TAXES OR CHARGES. SEE TREASURER.

or

OTHER TAXES OR CHARGES THAT ARE LIENS ON PARCEL ARE PAST DUE. CONTACT (COLLECTOR/TREASURER).

or

CONTACT (COLLECTOR/TREASURER) IMMEDIATELY TO ADDRESS OTHER OUTSTANDING TAXES OR CHARGES.

2. Form

Cities and towns may use the format shown in the models or may adapt the format to local specifications, provided that the format used presents the required content to the taxpayer in a clear and concise manner.

3. Local Options

Where practicable, certain local adaptations may be made in the models. The following options, which are identified in the models by enclosure in parentheses, may be used:

a. Per Diem Interest Charge - The statement on interest computation may provide a per diem interest charge.

b. Applicable Exemptions - The information provided on exemptions on the reverse side of the bill may be adapted to state the local option exemptions (17, 17C, 17C½, 17D) (37, 37A) (41, 41B, 41C) (52) (53) specifically applicable in the city or town. If a community chooses not to so specify, then references to all available exemptions must be included and the parentheses removed.

c. Local Funds Check-off -Cities and towns may designate a place on the property tax bill (or design a separate form to be mailed with the tax bills) for taxpayers to check off amounts to donate to the scholarship and education funds authorized by G.L. Ch. 60 §3C, and the fund to assist low income elderly or disabled persons pay their property taxes authorized by G.L. Ch. 60 §3D. The local funds check-off may also appear on or accompany the preliminary tax bill and demand notice.

All funds check-offs must conform to the format below, with only those funds accepted by the municipality's legislative body appearing in line 2.

VOLUNTARY CHECK-OFF FOR CONTRIBUTION TO LOCAL FUNDS

1. Amount Now Due $______

2. Scholarship Education Seniors/Disabled

Scholarship	Education	Seniors/Disabled
$	$	$

(Insert amount(s) you wish to contribute)

Total Contribution + $______

3. Add items 1 and 2 and pay total amount $______

If the check-off appears on a separate form, rather than the tax bill or demand, the form may also include instructions to taxpayers on how to contribute to the funds by completing and returning the form with their tax payments. <u>No other information</u> regarding the funds may be placed on a check-off form.

Only bills or forms that meet these requirements may state "Approved by the Commissioner of Revenue."

D. <u>Mailing Deadline</u>

There is no deadline for mailing the FY06 actual tax bills. Wherever possible, however, collectors <u>should mail</u> the FY06 actual tax bills on or before December 31, 2005 for the actual tax balance to be due and payable on the regular schedule.

E. <u>Payment Due Date</u>

If the FY06 actual tax bills are <u>mailed on or before December 31, 2005</u>, the entire balance of the FY06 tax after the preliminary tax is credited against the tax is due and payable April 1, 2006.

If, <u>for any reason</u>, the FY06 actual tax bills are mailed <u>after December 31, 2005</u>, the entire balance is payable on May 1, 2006, or 30 days after the bills were mailed, whichever is later.

F. Interest

Interest accrues at the rate of 14 percent a year on delinquent actual taxes. Interest is computed on the unpaid and overdue amount from the actual tax due date until payment is made.

Therefore, if FY06 actual tax bills are mailed on or before December 31, 2005, interest on delinquent actual taxes is computed April 1, 2006 until payment is made.

If FY06 actual tax bills are mailed after December 31, 2005, interest on delinquent actual taxes is computed from May 1, 2006, or the payment due date, whichever is later, until payment is made.

G. Abatement/Exemption Applications

A person's right to seek an abatement of or exemption from FY06 taxes is not prejudiced by the issuance of preliminary tax bills. The deadline for filing abatement or exemption applications is measured from the date the actual tax bills are mailed, not the preliminary tax bills.

Applications for personal exemptions and the residential exemption must be filed within three months of the date the actual tax bill is mailed. Applications for abatement, and all other exemptions, must be filed on or before by April 1, 2006, unless the FY06 tax bills are mailed after December 31, 2005. If mailed after December 31, 2005, those applications must be filed on or before May 1, 2006, or the thirtieth day after the date the actual bills are mailed, whichever is later.

H. Crediting Abatements/Exemptions Granted

The procedures for applying abatements and exemptions and computing the minimum payment required to avoid interest charges are not affected by issuing preliminary tax bills. Thus, if the assessors grant an abatement or exemption, the collector should apply the amount abated or exempted to reduce any balance that remains outstanding. No refund would be issued unless the taxpayer has already paid more than the entire year's tax, as abated. Preliminary tax payments are considered payments for the purpose of determining when the entire tax for the fiscal year has been paid. In addition, the tax, as abated or exempted, would continue to be the basis for determining the amount a taxpayer must pay by the due date to avoid being charged interest.

<u>Example 1</u>. Taxpayer C's FY06 real estate tax was $1000. Taxpayer C's preliminary tax was $700, due and payable on October 1, which leaves an actual tax balance of $300 for the year due and payable on April 1. Taxpayer C paid both payments timely and is granted an abatement of $350 on May 15. The abatement reduces the FY06 tax to $650, which was paid when Taxpayer C made the preliminary tax payment. A refund of $350 must be issued with interest on $50 from October 1 and on $300 from April 1. (If the payments had been made late, the interest would run from the date the payment was made instead of the due date).

<u>Example 2</u>. Taxpayer C's FY06 real estate tax was $2000. Taxpayer C's preliminary tax was $800, which leaves an actual tax balance of $1200 for the year due and payable on April 1. Taxpayer C paid the preliminary tax timely and is granted an abatement of $200 on March 15. The abatement is applied to reduce the outstanding balance of the FY06 tax, from $1200 to $1000 and no refund is issued.

<u>Example 3</u>. Taxpayer C's FY06 real estate tax was $2000. Taxpayer C's preliminary tax was $800, which leaves an actual tax balance of $1200 for the year due and payable on April 1. Taxpayer C paid the full preliminary tax timely and only $1000 of the actual tax balance by April 1. The taxpayer is granted an abatement of $200 on April 15, which reduces the FY06 tax to $1800. Taxpayer C is not delinquent and cannot be charged interest on the payment due April 1 because the FY06 tax remaining, as abated, was paid by that date. ($2000 FY06 tax - $200 abatement results in an $1800 tax due. After the $800 preliminary tax credit, a balance of $1000 remains, which must be paid by April 1).

<u>Example 4</u>. Same facts as above, except Taxpayer C paid the full preliminary tax timely and only $900 of the actual tax balance by April 1. Again, the taxpayer is granted an abatement of $200 on April 15. In this case, however, $100 of the tax is overdue because Taxpayer C had to pay $1000 by April 1.

I. <u>Omitted and Revised Assessments</u>

If parcels or accounts are omitted from the <u>actual</u> FY06 tax commitment or are underassessed, the assessors may make an omitted or revised assessment on the parcel or account under G.L. Ch. 59 §75 and 76. See Property Tax Bureau Informational Guideline Release No. 90-215 *Omitted and Revised Assessments* for the specific procedures to use.

The entire amount billed for the omitted or revised assessment is due on May 1, 2006, or 30 days after the bill for the omitted or revised assessment is mailed, whichever is later. Interest on delinquent payments for omitted and revised assessments is charged from May 1, 2006, or the date the bill for the omitted or revised assessment was mailed, whichever is later, until payment is made.

The deadline for filing an application for abatement of an omitted or revised assessment is three months after the date the tax bill for the omitted or revised assessment was mailed.

J. Demands

If the entire FY06 tax has not been paid by April 1, 2006 (or May 1, 2006, or 30 days after the actual tax bill was mailed, whichever is later, if actual bills are mailed after December 31, 2005), the collector will make a demand for payment on the taxpayer and then proceed to collect the amount outstanding. Demand notices must be captioned "Demand for Payment Fiscal Year 2006 Real Estate Taxes" or "Demand for Payment Fiscal Year 2006 Personal Property Taxes" and must include:

1. The taxpayer, property identification and location, property description, valuation, special assessment (for real estate only), tax rate, tax and payment instruction information found in the actual tax bill as explained in Section III-C above.

2. The following Payment Information:

    - Amounts abated or exempted since actual tax bill issued.
    - Payments made since actual tax bill issued.
    - Amount of preliminary tax (and special assessments if billed with preliminary tax) payment overdue.
    - Amount of final tax payment overdue.
    - Amount of interest on overdue payment(s) to date notice issued.
    - Demand charge of $5.00.
    - Amount due.

3. The following statement on interest computation "Interest at the rate of 14% per annum (or at $_____ per day) will accrue on overdue payments from the due date until payment is made."

4. The notice shown in Models 5(S/AP) (real estate) and 6(S/AP) (personal property) on the reverse side of the bill.

ATTACHMENTS

MODEL TAXPAYER INFORMATIONAL ENCLOSURE

Attached is a sample taxpayer informational release, which may be used as a tax bill stuffer or a newspaper release by communities implementing a semi-annual preliminary tax system for the first time in FY06. The release can be supplemented with information about specific billing and payment procedures that the community will use.

MODEL PRELIMINARY TAX BILLS, TAX BILLS AND DEMANDS

Attached are the following "model" FY06 preliminary tax bills, tax bills and demands. These models meet the minimum requirements set forth in this guideline for FY06 bills in all semi-annual communities using a preliminary tax payment system under G.L. Ch. 59 §57C.

Model 1(S/AP)	Preliminary Tax Bill - Real Estate
Model 2(S/AP)	Preliminary Tax Bill - Personal Property
Model 3(S/AP)	Tax Bill - Real Estate
Model 4(S/AP)	Tax Bill - Personal Property
Model 5(S/AP)	Demand - Real Estate
Model 6(S/AP)	Demand - Personal Property

TAXPAYER INFORMATION ON PRELIMINARY TAX PAYMENT SYSTEM

Your community has recently adopted a new semi-annual preliminary tax payment system, which will affect your property tax bills for Fiscal Year 2006 (July 1, 2005 to June 30, 2005). This enclosure explains how this new system will work.

BENEFITS FROM THE NEW SYSTEM

Under the old system, property tax payments were due twice a year, ideally November 1 and May 1. In practice, communities frequently issued their tax bills at different times during the year. As a result, taxpayers were often uncertain when their bills would be issued and had difficulty in planning their payments. Also, communities were forced to borrow money to have sufficient funds to meet their bills.

The new preliminary billing system has been shown in a number of other Massachusetts communities to provide the following advantages:

- Greater certainty in payment due dates for taxpayers.
- More even distribution of income for cities and towns.
- Significant reduction -- even elimination -- of costly municipal borrowing in anticipation of tax revenues.

HOW PRELIMINARY TAX PAYMENT SYSTEM WILL WORK

Under the preliminary tax payment system, you will be sent a preliminary tax bill each year by July 1. Your preliminary tax will be based on the adjusted net tax owed (including any betterments, special assessments and other charges added to the tax) on your property for the prior fiscal year and as a general rule will be no more than half (50%) of that amount. Adjustments are made for any abatements or exemptions granted in the prior year, and any tax increases allowed under Proposition 2½ for the current fiscal year. Your preliminary tax will be payable in a single installment due on October 1.

Example: If your Fiscal Year 2005 tax was $2000 (including any betterments, special assessments and other charges added to the tax), and you were granted an abatement of $400, your FY05 net tax due was $1600. After a tax increase adjustment of 2.5%, your adjusted FY05 net tax due would be $1640 and your Fiscal Year 2006 preliminary tax would in most instances be no more than $820. This $820 would be payable in a single installment due on October 1, 2005.

If for some reason preliminary tax bills were mailed after August 1, you would have until November 1 (or 30 days after the bills are mailed, if later) to pay the entire $820.

Your actual tax bill will then be sent to you on or about December 31. This bill will show the assessed valuation of your property, the tax rate and the amount of property taxes you owe for the fiscal year, including any betterments, special assessments or other charges that are added to the tax. The tax bill will also show the amount of the preliminary tax billed earlier as a credit against your actual tax for the year. The balance of your tax must be paid by April 1.

Example: If your actual Fiscal Year 2006 tax bill is $2100 and you had previously been billed $820 in preliminary taxes for the year, you would have a remaining balance of $1280. This $1280 balance would be payable on April 1, 2006.

If for some reason actual tax bills were mailed after December 31, you would have until May 1 (or 30 days after the bills are mailed, if later) to pay the entire balance of $1280.

LATE PAYMENTS

Under the preliminary tax payment system, interest on late tax payments will be charged for the number of days that the payment is actually delinquent. For example, if the actual tax is due on April 1 and it is not timely paid, interest will be charged from that date until the date the payment is made.

ANSWERS TO COMMON QUESTIONS ABOUT PRELIMINARY TAX SYSTEM

Will the new system affect the amount of property taxes I pay for the year? No. The amount you pay is the same under either system. Either way, the amount is based on the valuation of your property and the tax rate. The tax rate reflects the level of taxes needed to fund local budget decisions and must still be within the limits of Proposition 2½.

Will the new system affect my right to seek an abatement or exemption? No, these rights are unchanged. Once the actual tax bills are mailed, you will still be able to file an abatement application with the assessors if you wish to contest your assessment. Applications for abatement must be filed on or before April 1, 2006 unless the actual bills are mailed after December 31, 2005. In that case, abatement applications must be filed on or before May 1, 2006, or the 30th day after the bills are mailed, whichever is later. Applications for personal exemptions and the residential exemption must be filed within three months of the date the actual tax bills were mailed. All other exemption applications are due the same date as abatement applications.

If you have additional questions, you should contact the Assessors' or Collector's Office in your community.

MODEL 1(S/AP)

THE COMMONWEALTH OF MASSACHUSETTS
(CITY/TOWN)
OFFICE OF COLLECTOR OF TAXES

FISCAL YEAR 2006 PRELIMINARY REAL ESTATE TAX BILL

YOUR PRELIMINARY TAX FOR THE FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006 ON THE PARCEL OF REAL ESTATE DESCRIBED BELOW IS AS FOLLOWS:

PROPERTY IDENTIFICATION AND LOCATION	SPECIAL ASSESSMENTS			PRELIMINARY TAX
(MAP/BLOCK/LOT – ACCOUNT – OTHER)	Type	Amount	Comm. Int.	TOTAL TAX & SP. ASSESSMENTS DUE (OCTOBER 1, ( )
(ADDRESS)				
(ASSESSED OWNER(S))				
(ADDRESS)				
	TOTAL SP. ASSESSMENTS			AMOUNT NOW DUE

Make Checks Payable to: The (City/Town) of ( )

Mail Payments to: The Collector of Taxes
(Address)

Office Hours: ( ) AM to ( ) PM Mon. – Fri.

See Reverse Side for Important Information

INTEREST AT THE RATE OF 14% PER ANNUM WILL ACCRUE ON OVERDUE PAYMENTS FROM THE DUE DATE UNTIL PAYMENT IS MADE

THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE

FISCAL YEAR 2006 PRELIMINARY TAX: This bill shows the amount of preliminary tax you owe for fiscal year 2006 (July 1, 2005 - June 30, 2006).

PRELIMINARY TAX AMOUNT: As a general rule, your preliminary tax will not exceed 50% of your adjusted fiscal year 2005 tax (including any betterments, special assessments and other charges added to the tax). Adjustments are made for abatements or exemptions granted for fiscal year 2005, and tax increases allowed under Proposition 2½ in fiscal year 2006. Under certain circumstances, your preliminary tax may exceed 50% of the adjusted amount.

PAYMENT DUE DATES/INTEREST CHARGES: If preliminary bills were mailed on or before August 1, 2005, your preliminary tax is due on October 1, 2005. However, if preliminary bills were mailed after August 1, 2005, your preliminary tax is due on November 1, 2005, or 30 days after the bills were mailed, whichever is later. If your tax is not paid in full by the due date, interest at the rate of 14% per annum will be charged on the unpaid and overdue amount. If preliminary bills were mailed on or before August 1, 2005, interest will be computed on overdue preliminary tax payments from October 1, 2005 to the date payment is made. If preliminary bills were mailed after August 1, 2005, interest will be computed on overdue payments from November 1, 2005, or the payment due date, whichever is later, to the date payment is made. You will also be required to pay charges and fees incurred for collection if payments are not made when due. Payments are considered made when received by the Collector. To obtain a receipted bill, enclose a self-addressed stamped envelope and both copies of the bill with your payment.

FISCAL YEAR 2006 ACTUAL TAX BILLS: You will receive your actual fiscal year 2006 tax bill based on January 1, 2005 assessments after the tax rate is set. Any preliminary tax payments made will be credited toward payment of your fiscal year 2006 tax. Your actual tax bill will provide you with more detailed information on payment due dates.

ABATEMENT/EXEMPTION APPLICATIONS: Your right to seek an abatement of or exemption from your fiscal year 2006 tax is not prejudiced by the issuance of preliminary tax bills. Once the actual tax bills are issued, you will be able to apply for an abatement or exemption. The deadline for filing your abatement or exemption application will be measured from the date the actual tax bills are mailed, not the date preliminary tax bills were mailed. Your actual tax bill will provide you with more detailed information on application procedures and deadlines.

INQUIRIES: If you have questions on how your preliminary tax was determined, you should contact the Board of Assessors. If you have questions on payments, you should contact the Collector's Office.

MODEL 2(S/AP)

THE COMMONWEALTH OF MASSACHUSETTS
(CITY/TOWN)
OFFICE OF COLLECTOR OF TAXES

FISCAL YEAR 2006 PRELIMINARY PERSONAL PROPERTY TAX BILL

<table>
<tr><td colspan="2">YOUR PRELIMINARY TAX FOR THE FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006 ON THE PERSONAL PROPERTY DESCRIBED BELOW IS AS FOLLOWS:</td></tr>
<tr><td rowspan="2">PROPERTY IDENTIFICATION

(ACCOUNT - OTHER)</td><td>PRELIMINARY TAX DUE
(OCTOBER 1), ( )</td></tr>
<tr><td></td></tr>
<tr><td rowspan="2">(ASSESSED OWNER(S))

(ADDRESS)</td><td></td></tr>
<tr><td>AMOUNT NOW DUE</td></tr>
<tr><td>Make Checks Payable to: The (City/Town) of ( )

Mail Payments to: The Collector of Taxes
(Address)

Office Hours: ( ) AM to ( ) PM Mon. – Fri.

See Reverse Side for Important Information</td><td>INTEREST AT THE RATE OF 14% PER ANNUM WILL ACCRUE ON OVERDUE PAYMENTS FROM THE DUE DATE UNTIL PAYMENT IS MADE</td></tr>
<tr><td colspan="2">THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE</td></tr>
</table>

FISCAL YEAR 2006 PRELIMINARY TAX: This bill shows the amount of preliminary tax you owe for fiscal year 2006 (July 1, 2005 - June 30, 2006).

PRELIMINARY TAX AMOUNT: As a general rule, your preliminary tax will not exceed 50% of your adjusted fiscal year 2005 tax (including any betterments, special assessments and other charges added to the tax). Adjustments are made for abatements or exemptions granted for fiscal year 2005, and tax increases allowed under Proposition 2½ in fiscal year 2006. Under certain circumstances, your preliminary tax may exceed 50% of the adjusted amount.

PAYMENT DUE DATES/INTEREST CHARGES: If preliminary bills were mailed on or before August 1, 2005, your preliminary tax is due on October 1, 2005. However, if preliminary bills were mailed after August 1, 2005, your preliminary tax is due on November 1, 2005, or 30 days after the bills were mailed, whichever is later. If your tax is not paid in full by the due date, interest at the rate of 14% per annum will be charged on the unpaid and overdue amount. If preliminary bills were mailed on or before August 1, 2005, interest will be computed on overdue preliminary tax payments from October 1, 2005 to the date payment is made. If preliminary bills were mailed after August 1, 2005, interest will be computed on overdue payments from November 1, 2005, or the payment due date, whichever is later, to the date payment is made. You will also be required to pay charges and fees incurred for collection if payments are not made when due. Payments are considered made when received by the Collector. To obtain a receipted bill, enclose a self-addressed stamped envelope and both copies of the bill with your payment.

FISCAL YEAR 2006 ACTUAL TAX BILLS: You will receive your actual fiscal year 2006 tax bill based on January 1, 2005 assessments after the tax rate is set. Any preliminary tax payments made will be credited toward payment of your fiscal year 2006 tax. Your actual tax bill will provide you with more detailed information on payment due dates.

ABATEMENT/EXEMPTION APPLICATIONS: Your right to seek an abatement of or exemption from your fiscal year 2006 tax is not prejudiced by the issuance of preliminary tax bills. Once the actual tax bills are issued, you will be able to apply for an abatement or exemption. The deadline for filing your abatement or exemption application will be measured from the date the actual tax bills are mailed, not the date preliminary tax bills were mailed. Your actual tax bill will provide you with more detailed information on application procedures and deadlines.

INQUIRIES: If you have questions on how your preliminary tax was determined, you should contact the Board of Assessors. If you have questions on payments, you should contact the Collector's Office.

MODEL 3(S/AP)

THE COMMONWEALTH OF MASSACHUSETTS
(CITY/TOWN)
OFFICE OF THE COLLECTOR OF TAXES

FISCAL YEAR 2006 REAL ESTATE TAX BILL

TAX RATE PER $1000			
Class 1 Residential	Class 2 Open Space	Class 3 Commercial	Class 4 Industrial

Based on assessments as of January 1, 2005, your Real Estate Tax for the fiscal year beginning July 1, 2005 and ending June 30, 2006 on the parcel of real estate described below is as follows:

Property Identification (M-B-L/Other)	Property Location (Address)	Page & Line	Bill No.

REAL ESTATE VALUES	
Description	
Class	Valuation
Total Valuation	
Residential/Commercial Exemption	
Total Taxable Valuation	

SPECIAL ASSESSMENTS		
Type	Amount	Comm. Int.
TOTAL SP. ASSESSMENTS		

Real Estate Tax	
Total Tax & Sp. Assessments Due	
Preliminary Tax	
Abatement	
Payments Made	
Preliminary Tax Overdue	
Interest	
Balance Due (April 1), 2006	
AMOUNT NOW DUE	

Assessed Owner(s)

Address

Make Checks Payable to: The (City/Town) of ( )

Mail Payments to: The Collector of Taxes
(Address)

Office Hours: ( ) AM to ( ) PM Mon. – Fri.

ABATEMENT APPLICATIONS TO ASSESSORS DUE: ( )
(OTHER TAXES OR CHARGES ARE PAST DUE. SEE (COLLECTOR/TREASURER.))

Interest at the rate of 14% per annum will accrue on overdue payments from the due date until payment is made.

SEE REVERSE SIDE FOR
IMPORTANT INFORMATION

THIS FORM APPROVED BY COMMISSIONER OF REVENUE

FISCAL YEAR 2006 TAX: This tax bill shows the amount of real estate taxes you owe for fiscal year 2006 (July 1, 2005 - June 30, 2006). The tax shown in this bill is based on assessments as of January 1, 2005. The bill also shows betterments, special assessments and other charges.

PAYMENT DUE DATES/INTEREST CHARGES: Your preliminary tax was due on October 1, 2005 unless the bills were mailed after August 1, 2005. If preliminary bills were mailed after August 1, 2005, your preliminary tax was due on November 1, 2005, or 30 days after the bills were mailed, whichever was later. Your preliminary tax is shown on this bill as a credit against your tax, including betterments, special assessments and other charges. If tax bills were mailed on or before December 31, 2005, the balance is due April 1, 2006. However, if tax bills were mailed after December 31, 2005, the balance is due on May 1, 2006, or 30 days after the bills were mailed, whichever is later. If your preliminary and final payments are not made by their due dates, interest at the rate of 14% per annum will be charged on the unpaid and overdue amount. Interest is computed on overdue preliminary payments from October 1, 2005, or November 1, or 30 days after the bills were mailed, whichever was later, if the preliminary tax bills were mailed after August 1, 2005, to the date payment is made. Interest is computed on overdue final payments from April 1, 2006, or May 1, 2006, or 30 days after the bills were mailed, whichever was later, if the actual tax bills were mailed after December 31, 2005, to the date payment is made. You will also be required to pay charges and fees incurred for collection if payments are not made when due. Payments are considered made when received by the Collector. To obtain a receipted bill, enclose a self-addressed stamped envelope and both copies of the bill with your payment.

ABATEMENT/EXEMPTION APPLICATIONS: You have a right to contest your assessment. To do so, you must file an application for an abatement in writing on an approved form with the Board of Assessors. You may apply for an abatement if you believe your property is valued at more than its fair cash value, is not assessed fairly in comparison with other properties, or if a classified tax system is used locally, is not properly classified. If tax bills were mailed on or before December 31, 2005, the filing deadline for an abatement application is April 1, 2006. However, if tax bills were mailed after December 31, 2005, the deadline is May 1, 2006, or 30 days after the date the bills were mailed, whichever is later.

You may be eligible for an exemption from or deferral of all or some of your tax. In order to obtain an exemption for which you are qualified, you must file an application in writing on an approved form with the assessors. The filing deadline for an exemption under Mass. G.L. Ch. 59, §5, Cl. (17, 17C, 17C½, 17D), 18, 22, 22A, 22B, 22C, 22D, 22E, (37, 37A), (41, 41B, 41C), 42, 43 or (52), or a deferral under Cl. 18A or 41A is 3 months after the date tax bills were mailed, whichever is later. The filing deadline for all other exemptions under Ch. 59, §5 is April 1, 2006, if tax bills were mailed on or before December 31, 2005, or May 1, 2006, or 30 days after the date tax bills were mailed, whichever is later, if the bills were mailed after December 31, 2005.. The filing deadline for a residential exemption under Ch. 59, §5C, or a small commercial exemption under Ch. 59 §5I, if locally adopted and not shown on your bill, is 3 months after the date tax bills were mailed.

Applications are timely filed when (1) received by the assessors on or before the filing deadline, or (2) mailed by United States mail, first class postage prepaid, to the proper address of the assessors, on or before the filing deadline, as shown by a postmark made by the United States Postal Service. If your application is not timely filed, the assessors cannot by law grant an abatement or exemption.

INQUIRIES: If you have questions on your valuation or assessment or on abatements or exemptions, you should contact the Board of Assessors. If you have questions on payments, you should contact the Collector's Office.

MODEL 4(S/AP)

THE COMMONWEALTH OF MASSACHUSETTS
(CITY/TOWN)
OFFICE OF THE COLLECTOR OF TAXES

FISCAL YEAR 2006 PERSONAL PROPERTY TAX BILL

TAX RATE PER $1000

Based on assessments as of January 1, 2005, your Personal Property Tax for the fiscal year beginning July 1, 2005 and ending June 30, 2006 on the personal property described below is as follows:

Property Identification (Acct. No. / Other)	Page & Line	Bill No.	Personal Property Tax
			Preliminary Tax
PERSONAL PROPERTY VALUES			Abatement
Description	Value		
			Payments Made
			Preliminary Tax Overdue
			Interest
			Balance Due (April 1), 2006
TOTAL VALUATION			AMOUNT NOW DUE

Assessed Owner(s)

Address

Make Checks Payable to:
The (City/Town) of ( )

Mail Payments to:
The Collector of Taxes
(Address)

Office Hours: ( ) AM to ( ) PM
Mon. - Fri.

ABATEMENT APPLICATIONS TO ASSESSORS DUE: ( )

Interest at the rate of 14% per annum will accrue on overdue payments from the due date until payment is made.

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IMPORTANT INFORMATION

THIS FORM APPROVED BY COMMISSIONER OF REVENUE

FISCAL YEAR 2006 TAX: This tax bill shows the amount of personal property taxes you owe for fiscal year 2006 (July 1, 2005-June 30, 2006). The tax shown in this bill is based on assessments as of January 1, 2005.

PAYMENT DUE DATES/INTEREST CHARGES: Your preliminary tax was due on October 1, 2005 unless the bills were mailed after August 1, 2005. If preliminary bills were mailed after August 1, 2005, your preliminary tax was due on November 1, 2005, or 30 days after the bills were mailed, whichever was later. Your preliminary tax is shown on this bill as a credit against your tax. If tax bills were mailed on or before December 31, 2005, the balance is due April 1, 2006. However, if tax bills were mailed after December 31, 2005, the balance is due on May 1, 2006, or 30 days after the bills were mailed, whichever is later. If your preliminary and final payments are not made by their due dates, interest at the rate of 14% per annum will be charged on the unpaid and overdue amount. Interest is computed on overdue preliminary payments from October 1, 2005, or November 1, or 30 days after the bills were mailed, whichever was later, if the preliminary tax bills were mailed after August 1, 2005, to the date payment is made. Interest is computed on overdue final payments from April 1, 2006, or May 1, 2006, or 30 days after the bills were mailed, whichever was later, if the actual tax bills were mailed after December 31, 2005, to the date payment is made. You will also be required to pay charges and fees incurred for collection if payments are not made when due. Payments are considered made when received by the Collector. To obtain a receipted bill, enclose a self-addressed stamped envelope and both copies of the bill with your payment.

ABATEMENT APPLICATIONS: You have a right to contest your assessment. To do so, you must file an application for an abatement in writing on an approved form with the Board of Assessors. You may apply for an abatement if you believe your property is valued at more than its fair cash value or is not assessed fairly in comparison with other properties. If tax bills were mailed on or before December 31, 2005, the filing deadline for an abatement application is April 1, 2006. However, if tax bills were mailed after December 31, 2005, the deadline is May 1, 2006, or 30 days after the date the bills were mailed, whichever is later.

Applications are timely filed when (1) received by the assessors on or before the filing deadline, or (2) mailed by United States mail, first class postage prepaid, to the proper address of the assessors, on or before the filing deadline, as shown by a postmark made by the United States Postal Service. If your application is not timely filed, the assessors cannot by law grant an abatement.

INQUIRIES: If you have questions on your valuation or assessment or on abatements, you should contact the Board of Assessors. If you have questions on payments, you should contact the Collector's Office.

MODEL 5(S/AP)

THE COMMONWEALTH OF MASSACHUSETTS
(CITY/TOWN)
OFFICE OF THE COLLECTOR OF TAXES

DEMAND FOR PAYMENT
FISCAL YEAR 2006 REAL ESTATE TAX

TAX RATE PER $1000			
Class 1 Residential	Class 2 Open Space	Class 3 Commercial	Class 4 Industrial

As required by law, demand is made upon you for payment of your fiscal year 2006 Real Estate Taxes as follows:

Property Identification (M-B-L/Other)	Property Location (Address)	Page & Line	Bill No.

REAL ESTATE VALUES	
Description	
Class	Valuation
Total Valuation	
Residential/Commercial Exemption	
Total Taxable Valuation	

SPECIAL ASSESSMENTS		
Type	Amount	Comm. Int.
TOTAL SP. ASSESSMENTS		

Real Estate Tax	
Total Tax & Sp. Assessments Due	
Abatement/Exemption	
Payments Made	
Preliminary Tax Overdue	
Balance Overdue	
Interest	
Demand	$5.00
AMOUNT NOW DUE	

Assessed Owner(s)

Address

Make Checks Payable to: The (City/Town) of ( )

Mail Payments to: The Collector of Taxes
(Address)

Office Hours: ( ) AM to ( ) PM Mon. – Fri.

Interest at the rate of 14% per annum (at $____ per day) will accrue on overdue payments from the due date until payment is made.

SEE REVERSE SIDE FOR
IMPORTANT INFORMATION

THIS FORM APPROVED BY COMMISSIONER OF REVENUE

DEMAND FOR PAYMENT OF FISCAL YEAR 2006 TAX

This notice shows the amount of your fiscal year 2006 real estate tax, including betterments, special assessments and other charges, that is unpaid and overdue.

In addition to the amount of overdue taxes shown in this notice, you also owe accrued interest and a demand charge of $5.00. Interest will continue to accrue on overdue taxes until your payment is made. Your payment will be considered made when received by the Collector.

If the total amount you owe is not paid within 14 days of the date of this demand, the Collector will proceed to collect the amount owed in accordance with law.

MODEL 6(S/AP)

THE COMMONWEALTH OF MASSACHUSETTS
(CITY/TOWN)
OFFICE OF THE COLLECTOR OF TAXES

DEMAND FOR PAYMENT
FISCAL YEAR 2006 PERSONAL PROPERTY TAX

TAX RATE PER $1000

As required by law, demand is made upon you for payment of your fiscal year 2006 Personal Property Tax as follows:

Property Identification (Acct. No. / Other)	Page & Line	Bill No.		
			Personal Property Tax	
			Abatement	
PERSONAL PROPERTY VALUES			Payments Made	
Description		Value		
			Preliminary Tax Overdue	
			Balance Overdue	
			Interest	
			Demand	$5.00
TOTAL VALUATION			AMOUNT NOW DUE	

Assessed Owner(s)

Address

Make Checks Payable to:
The (City/Town) of ( )

Mail Payments to:
The Collector of Taxes
(Address)

Office Hours: ( ) AM to ( ) PM
Mon. - Fri.

Interest at the rate of 14% per annum (at $ ____ per day) will accrue on overdue payments from the due date until payment is made.

SEE REVERSE SIDE FOR
IMPORTANT INFORMATION

THIS FORM APPROVED BY COMMISSIONER OF REVENUE

DEMAND FOR PAYMENT OF FISCAL YEAR 2006 TAX

This notice shows the amount of your fiscal year 2006 personal property tax that is unpaid and overdue.

In addition to the amount of overdue taxes shown in this notice, you also owe accrued interest and a demand charge of $5.00. Interest will continue to accrue on overdue taxes until your payment is made. Your payment will be considered made when received by the Collector.

If the total amount you owe is not paid within 14 days of the date of this demand, the Collector will proceed to collect the amount owed in accordance with law.