



Everything You've Ever Wanted To Know About Property Taxes

An Information Guidebook

City of Boston Assessing Department

Thomas M. Menino, MAYOR
Ronald W. Rakow, Commissioner





ASSESSING DEPARTMENT

Boston City Hall, Room 302, Boston, MA 02201

Dear Concerned Citizen,

As Commissioner of Assessing, I am committed to creating an assessment system that City taxpayers can look to as an example of efficiency, creativity and performance.

As part of that commitment, the Assessing Department has prepared this assessment information package for the use of policy officials, researchers, news media, taxpayer groups, and community leaders as a reference guide in the process of informing their members and the public on property tax issues.

I hope that you will find this publication helpful and that you will forward your comments and suggestions for improvement. This publication can be found on the web at www.cityofboston.gov/assessing. If you would like additional hardcopies copies or if you have questions regarding our efforts, call (617) 635-4264.

I appreciate your interest in furthering the understanding of property tax administration in the City and the Commonwealth.

Sincerely,

Ronald W. Rakow
Commissioner of Assessing

NOTE

This Publication represents a simplification of assessment and taxation laws of the Commonwealth of Massachusetts.

In particular, questions arise which require a more detailed response, you can find information on the City of Boston web site at www.cityofboston.gov/assessing or by calling the Taxpayer Referral & Assistance Center (TRAC), at (617) 635-4287.

Statistical information can be found in the Annual Reports of the Assessing Department, City of Boston.

The Addendum concluding this publication offers frequently asked questions and answers on assessing topics that address common inquiry areas.

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Everything You've Ever Wanted to Know About Property Taxes

The City of Boston Assessing Department

The Assessing Department of the City of Boston is responsible for determining the value of all real and personal property located within the City for the purpose of taxation. In addition, the Department administers the motor vehicle and boat excise taxes.

Assessors are statutorily obligated to assess all property at its full and fair cash value as of January first of each year. The Massachusetts General Laws define full and fair cash value as the price an owner willing, but not under compulsion to sell, ought to receive from one willing, but not under compulsion to buy.

Massachusetts law further requires each city and town to conduct a complete revaluation of its property every three years. Pursuant to that requirement, the City of Boston conducted its ninth city-wide revaluation for FY 2007.

The establishment and maintenance of fair market value assessments in an exceedingly dynamic real estate market requires the careful combination of management, appraisal and technical skills.

Organizational Structure

The Commissioner of Assessing manages the Assessing Department and oversees all aspects of the valuation and assessment process.

The Assessing Department is presently organized around three major functional areas: Valuation, Operations and Executive.

Valuation

Assessors in the **Valuation Division** determine fair cash value assessments each year for residential, commercial, industrial, and personal property. There are approximately 11,000 parcels of commercial/industrial real estate and 120,000 parcels of residential real estate. In addition, there are 5,000 personal property accounts. Assessment records are reviewed annually to reflect new construction, fire damage, demolition or rehabilitation.

The **Personal Property Unit** maintains the personal property accounts of various entities doing business in the city. These entities may include individuals, partnerships, trusts, associations, and corporations.

Each account is reviewed and updated annually to determine the fair market value of the taxable personal property of each entity as of January 1.

The **Information Systems Unit** maintains the computer system that stores and allows access to land and building data for valuation purposes.

The **Research & Standards Unit** utilizes computer software to develop state-of-the-art statistical modeling and analysis techniques for the Valuation Division. The work of the division provides check-points that ensure fair and equitable property values across the City.

Operations

The Operations Division manages all administration and financial functions of the department.

The **Tax Data and Land Records Units** maintain accurate property parcel and ownership data based on records at the Registry of Deeds. Maps are maintained for accurate parcel identification, including subdivisions, consolidation, etc.

Human Resources and **Fiscal Units** oversee activities related to hiring and employment, payroll, budget and purchasing.

Technical Services is responsible for recommending, maintaining and upgrading all computer and computer related equipment in the department.

Taxpayer Referral & Assistance Center known as the **TRAC** office provides convenient, one-stop shopping for taxpayer services including:

Information - including explanations of tax bills, abatements and exemptions programs, change of mailing address forms, affidavit of address forms, and general informational publications;

Assistance - including accepting real estate and personal property abatement and personal exemption applications, abating excise taxes, issuing duplicate tax bills and payment receipts, providing ward and parcel information and providing Municipal Lien certificate fee schedule;

Problem Solving - referral to "expert" assistance in either Assessing or Collecting, for the resolution of disputed payments, issuing and processing of Municipal Lien Certificates, and personal and real estate abatement processing.

Executive

The **Litigation Unit** provides legal counsel within the Department and represents the Department in appeals filed with the state Appellate Tax Board.

The **Tax Policy Unit** recommends and implements legislative and administrative solutions to improve the performance, equity and efficiency of property tax administration. This unit also administers the payment in lieu of tax and MGL Chapter 58, section 8 special abatement of program.

The **Board of Review** reviews all abatement and exemption applications and recommends appropriate action to the Commissioner of Assessing.

Abatement Appeal Team reviews all abatement applications and assists in the defense of valuation before the state Appellate Tax Board.

Assessing Department Directory (area code 617)

Executive

Commissioner	635-4264
Board of Review	635-4260
Tax Policy	635-4797
Litigation	635-4586
Abatement Appeals Unit	635-2076

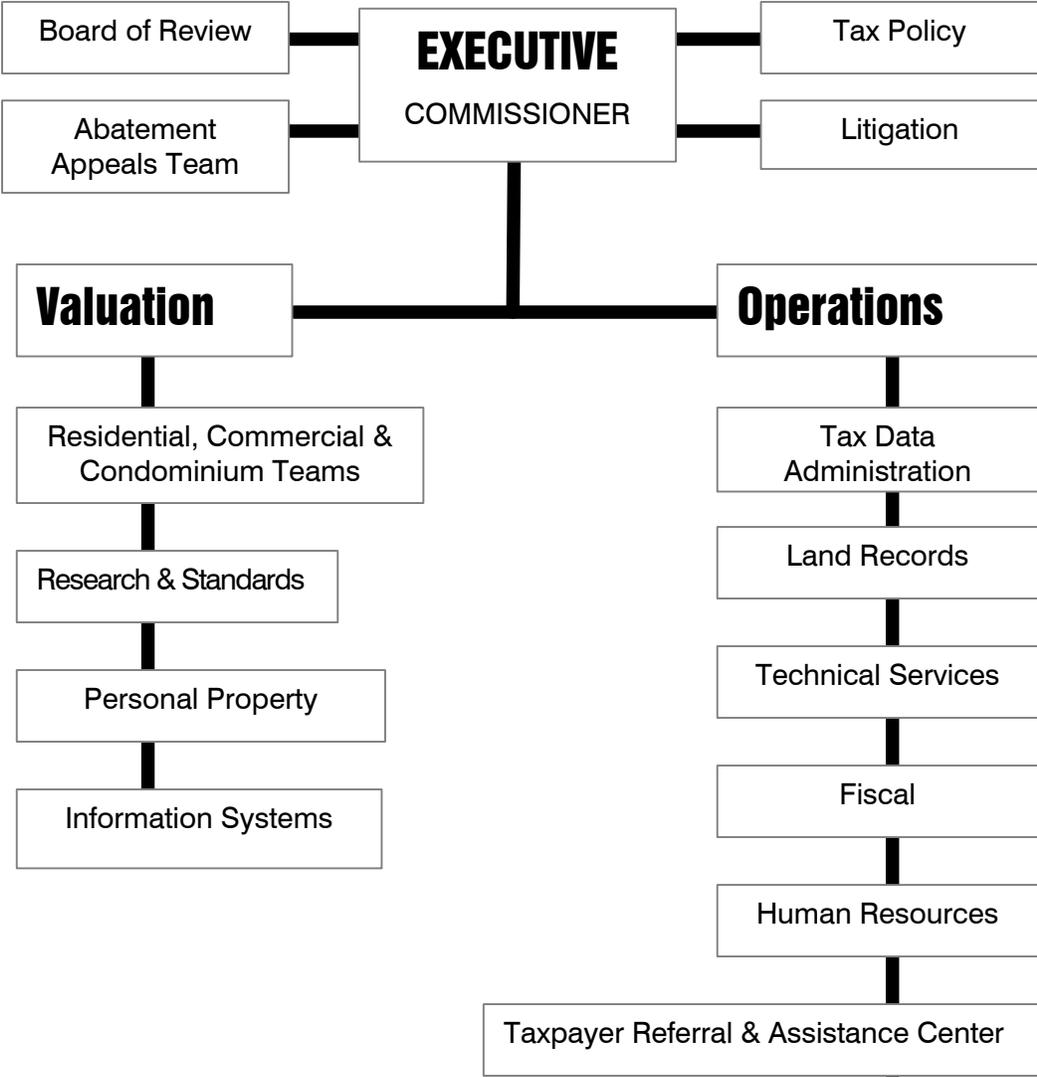
Operations

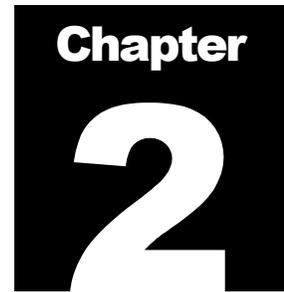
Information Desk	635-3742
Tax Data Administration	635-3783
Land Records	635-4321
Human Resources	635-3909
Taxpayer Referral & Assistance Center	635-4287

Valuation

Valuation Director	635-1141
Research & Standards	635-1145
Personal Property	635-1165

Organizational Chart



A black square graphic with the word "Chapter" in white at the top and a large white number "2" in the center.

Assessment Administration

An assessor is the person in each city or town who estimates the value of property and assesses taxes. The assessor is responsible for the appraisal of all property, both real and personal, at its fair market value.

Assessors may be elected or appointed, depending on the charter of the city or town. In Boston, the Mayor appoints a Commissioner of Assessing. The present Commissioner of Assessing is Ronald W. Rakow, appointed in September 1992.

City and town assessors work closely with and under the general supervision of the Commissioner of Revenue, Commonwealth of Massachusetts. The Department of Revenue is the state agency that supervises state and local tax assessment and collection.

Any person elected or appointed, as assessor must meet certain minimum qualification standards established by the Commissioner of Revenue.

The assessor is not concerned directly with the collection of taxes, nor the amount of tax levy imposed. These matters are the responsibility of the tax collector and the governing body in a community.

Property Tax Assessments

The major source of revenue for the 351 cities and towns in Massachusetts is the property tax. The property tax is an "ad-valorem" (based on value) tax. The tax is apportioned to individual properties based on the value of the property. Estimates of value (or appraisals) are called **assessments**. The assessment of a large number of parcels for property tax purposes constitutes a highly specialized field of appraisal.

In Massachusetts, the property tax is assessed on real and personal property to the person who is the owner on January first.

Real and Personal Property

In taxation, the term "property" includes both real and personal property. Since they are taxed separately, a careful distinction between the two is necessary.

Real Property includes land and all improvements. It is the physical land and everything attached to it, including everything under the ground (water and mineral rights) and everything above the ground. It includes all benefits, rights, interests and limitations inherent in the ownership of the real estate.

Personal property consists of any tangible assets owned by an individual, a business, or an organization which are not real estate and which are not permanently affixed to a particular building. It includes, but is not limited to:

Property Tax Rate

There are two factors in the determination of the property tax rate: the **property tax levy** and the **total assessed value**.

Property Tax Levy: The tax levy is the amount of money to be raised by the property tax. Each year the amount that can be raised must be determined in accordance with Proposition 2½.

Total Assessed Value: Assessed value is the dollar amount of value assigned to a parcel of property by the assessor. The total assessed value of a city or town is the sum of assessed values of all taxable property in the city or town. The value of tax-exempt property, such as churches or federal buildings, is not included.

The **tax rate** is the amount (in dollars) a taxpayer owes for each one thousand dollars of assessed value. The tax rate in each city or town that has not adopted classification is determined by dividing the tax levy by the total assessed value of the city or town.

Example: If a city or town levied \$5 million and the total assessed value was \$200 million, the property tax rate would be:

$$\text{Property Tax Rate} = \frac{\text{Property Tax Levy}}{\text{Total Assessed Value}}$$

$$\text{Property Tax Rate} = \frac{\$ 5,000,000}{\$200,000,000} = .025 = \$25 \text{ per thousand dollars of value}$$

It is customary in Massachusetts to express the tax rate as the number of dollars per thousand dollars of assessed value. In the previous example, the tax rate would be expressed as \$25 per thousand dollars of value.

The tax bill is determined by multiplying the tax rate by the property's assessed value. If a home is assessed at \$100,000 and the tax rate is \$25, the tax bill is \$2,500.

Assessment Dates and Fiscal Years

In Massachusetts, the assessment date is January first.

It is the ownership, condition and value of the property on January first that is critical in the assessing function. Any new structures, additions, demolitions, improvements or alterations that occur after January first will not be reflected in assessing records until the next January first. The only exception is certain exempt property that has a date of determination of July first.

In Massachusetts, the fiscal year commences on July first and ends on the following June thirtieth.

Property taxes are assessed for the fiscal year (July 1 - June 30) based on the value of the property as of the previous January first.

Examples:

Property taxes for fiscal year 2008 (July 1, 2007 to June 30, 2008) are based on the value of the property as of January 1, 2007.

Property taxes for fiscal year 2009 (July 1, 2008 to June 30, 2009) are based on the value of the property as of January 1, 2008.

Assessment Calendar Explanation

January 1 is the property tax assessment date for each "fiscal year". The fiscal year begins July 1 and continues to the following June 30. Assessed values are based upon the status of the property as of January 1.

EXAMPLES:

The property tax assessment date for fiscal year 2008 is January 1, 2007. Fiscal Year 2008 begins on July 1, 2007 and ends on June 30, 2008.

The property tax assessment date for fiscal year 2009 is January 1, 2008. Fiscal year 2009 begins July 1, 2008 and ends June 30, 2009.

Assessment Calendar

Summer

July 1 Beginning of new Fiscal Year

August 1 1st Quarter Preliminary Tax due (the first two of two equal amounts, estimated taxed bills are based on the prior fiscal year taxes)

Fall

September Personal exemption renewal applications mailed
Residential exemption applications mailed to new owners who purchased property in the previous calendar year

October 1 Second Quarter preliminary tax bill issued

November 1 Second Preliminary tax due (the second of two equal and preliminary tax bills based on the prior fiscal year taxes)

Late December 3rd Quarter tax bill indicating actual tax due issued (tax bill reflects the actual value and tax rate for the current fiscal year)

Winter

January 1 Property tax Assessment Date for the following fiscal year

January- February 1 Abatement Application filing period

Applications for certain Personal Exemptions filing period (Elderly, blind, Surviving Spouse, Disabled Veteran, etc.)

February 1 3rd Quarter tax bill due (unless February 1 falls on a weekend – then the tax bill is due the first business day following February 1)

Abatement Applications filing deadline

Applications for certain Exemptions filing deadline

February - May Review of Abatement and Exemption applications – Notice of Decision mailed

Spring

March 1 Owners of taxable personal property must file Form of List

Final date for charitable organizations to file form 3ABC

Late March Residential exemption application must be filed within 3 months of the mailing of 3rd Quarter tax bill

Certain Personal Exemptions must be filed within 3 months of the mailing of the 3rd Quarter tax bill

Late March 4th Quarter tax bill issued

May 1 4th Quarter tax due

Summer

June/July/August Last day for taxpayers to appeal denial of abatement application to State Appellate Tax Board (three months after the decision of the Assessor or date on which application was deemed denied by reason of Inaction)

July 1 Beginning of new Fiscal Year

Fair Cash Value

In Massachusetts, property must be assessed at full and fair cash value. The terms "full and fair cash value", "market value", "one hundred percent value", and "fair market value" are essentially synonymous.

The International Association of Assessing Officers defines "market value" as the highest price in terms of money that a property will bring in a competitive and open market, assuming that the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale and assuming that the price is not affected by undue stimulus.

Actual sales are strong evidence of full and fair cash value, for they represent what a buyer has been willing to pay a seller for a particular property. However, buyers and sellers in the market range from those who are very knowledgeable to those who are almost completely uninformed. For this reason, one individual transaction should not be substituted for the term "market value". As a result, assessors analyze and confirm each sale transaction to determine whether they reflect market value.

Actual sales are used as an indication of the market value of those properties that have not sold.

The appraisal process involves the assembly, analysis and classification of various types of information into a value estimate. The three approaches traditionally used to value property are the cost, market and income approach. The assessor considers the amount of data collected, the strengths, weaknesses and relevancy of each valuation approach, and determines an assessed value for each property.

In jurisdictions with a large number of parcels and sales, computer programs assist the assessor in determining annual assessments.

Evasion of Taxation

A taxpayer who willfully conceals, removes, transfers or misrepresents any property to evade valuation, assessment or classification, or otherwise acts with the intent to avoid taxation will be subject to a fine of not less than \$1,000 or more than \$5,000.

A person who furnishes a false list or schedule to an assessor with the intent to evade any law relating to the assessment or payment of taxes is punishable by a fine of not more than \$1,000 or imprisonment for not more than one year.

Notes:

Exemptions

Exemptions are discussed on pages 11-17

Abatements are discussed on pages 41-47

An exemption is a privilege allowed by the state legislature. It releases a property owner from the obligation to pay all or a portion of the tax assessed on a parcel of property.

An abatement is a reduction in the assessed value of property. Abatements are granted where the property is determined to be over assessed, improperly classified, or disproportionately assessed. Abatements are granted where the assessed value does not represent the fair cash value of the property on the assessment date.

Introduction

Over the years, the Massachusetts General Court has adopted a series of exemptions from all or a portion of tax liability for certain types of organizations or groups of persons. There are over fifty exemption provisions at present.

An exemption is a privilege allowed by the state legislature. An exemption reduces all or a portion of the taxes assessed on a parcel of property a property that the owner is obliged to pay.

Exemptions from taxation are recognized only where the property use or status of the individual clearly falls within the terms of the exemption. The burden of proving an exemption is on the taxpayer that claims it.

The date of determination as to age, ownership or other factors necessary to qualify is generally July first of each year unless the specific provision indicates otherwise.

Every parcel of property exempted from taxation increases the amount of taxes that must be collected from property that is taxable. Exempted property reduces the total assessed value of the city or town, thus increasing the rate on remaining taxable property.

Personal Exemptions

Personal exemptions are a reduction in taxes due to particular personal circumstances and qualifications set forth in the Massachusetts General Laws. The burden is on the applicant to show that he or she falls within the expressed terms of the exemption provision.

Personal exemptions must be filed no later than December 1 of each year for the exemption to appear on the Third quarter tax bill. Otherwise, they must be filed within three months after the mailing of the tax bill.

Exemptions are granted for one year only. An application must be filed each year.

Full or partial exemptions are provided in the General Laws for the following persons:

- Elderly (over the age of 65)
- Veteran (with service-connected disability)
- Blind
- Surviving Spouse
- Minor child of deceased parent
- Tax Deferral
- Hardship (due to age, infirmity and financial condition)

The chart on the following page summarizes the qualifications and restrictions for each of the exemptions. In general, a taxpayer may receive only one of the exemptions listed. A hardship exemption may, however, be granted to a person who has received another of the exemptions.

PERSONAL EXEMPTIONS and Other Non-Exemption programs - Chart

City of Boston

All applicants must own and occupy the property as of July first. This chart represents an overview of exemption provisions. For more information call the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287.

Status as of July 1	Exemption	Income Restriction	Gross Estate Limit (Note 1)	Other Requirements	Amount of Exemption (Note 2)
ELDERLY (70 Years +)	17D	None	\$40,000	Residency	\$262.00 (FY 2008)
ELDERLY (65 Years +)	41C	Yes (FY 2008) \$23,841 if single \$35,762 if married	Single \$40,000 Married \$55,000	Residency Ownership	\$500
SURVIVING SPOUSE/ MINOR CHILD	17D	None	\$40,000	Residency	\$262.00 (FY 2008)
VETERAN	22, 22A-E	None	None	Residency and Service Connected Disability at least 10%, or Purple Heart Gold Star Parent	\$250-\$875 Paraplegic - Full
BLIND	37A	None	None	Residency/Blind	\$500
SURVIVING SPOUSE Police or Fire	42/43	None	None	Until Remarriage	Full
Other Non-Exemption Programs					
TAX DEFERRAL	41A	None	\$40,000	Ownership Residency Age 65 or Surviving Spouse	Partial to Full
	18A (poverty or financial hardship resulting from a change to active military service not including initial enlistment)	None	None	Proof of change to active military service; Income tax, pension, social security financial, disability statements, etc.	

NOTE ONE: The value of the domicile is not included in the computation of the applicant's gross estate.

NOTE TWO: The City of Boston has accepted a local option statutory provision authorizing the grant of an additional amount of exemption which could result in as much as double the amount indicated, subject to certain restrictions.

APPLICATION DATE: The application date for all exemptions indicated above is December 15 or three months after the mailing of the third quarter tax bill.

Optional Supplement

Upon acceptance of an optional provision of law by a city or town, a taxpayer who shall otherwise qualify for a personal exemption will be entitled to an additional exemption not to exceed 100% of the exemption for which the taxpayer is qualified.

The General Court in recognition of the effects of full value revaluation on personal exemption recipients enacted the optional supplement. As a result, the additional exemption offsets the annual increase in a personal exemption recipient's tax bill.

In no instance shall the taxable valuation of the property, after all applicable exemptions, be reduced below ten percent of its full and fair cash value. Other restrictions may apply also.

The City of Boston has accepted the local option and grants the optional supplement to all clause exemption recipients.

Tax Deferral Program

Massachusetts's cities and towns offer a tax deferral program for taxpayers that are over the age of 65 years. Although the deferred amount becomes a lien on the property, a deferral may be a prudent option for a taxpayer whose current expenses make the continued ownership of his or her home difficult.

A tax deferral permits the delayed payment of property taxes. As opposed to an exemption, deferred taxes must eventually be repaid when the property is sold, transferred, or upon the death of the owner. A person may receive an exemption and also receive a deferral of the remainder of taxes on the same parcel.

Taxes, plus interest at **4%**¹ may be deferred every year until the total tax and interest due is equal to one-half of the full and fair cash value of the property. When that point is reached, although the taxpayer may no longer defer payment on current and future taxes, the deferred taxes and interest may remain unpaid until the sale of the property or the death of the taxpayer. A surviving spouse may continue the deferral upon the death of the spouse.

Applicants for the deferral program must have reached the age of 65 as of July first of the tax year, have owned and occupied the property for at least five years, resided in Massachusetts for at least ten years, and have a gross income of less than \$40,000. An application for a tax deferral must be filed by December 15 or three months after the mailing of the tax bill, whichever date occurs later.

¹ For fiscal year 2008, a 4% interest charge is applied to the deferred taxes. In 2007, Boston Mayor Thomas M. Menino and the City Council decreased the Tax Deferral 41A interest rate from 8% to 4%.

Government Property

In general, property owned by federal, state county or local governments are exempt from local property taxation.

Property owned by the United States is exempt from local taxation except such property, as the U.S. Congress has permitted to be subject to taxation. Property of the Commonwealth, with certain exceptions, is also exempt from local taxation.

Government authorities such as the Massachusetts Port Authority or Mass. Bay Transit Authority are generally exempt from property taxes by specific provisions in the legislation establishing the governmental entity.

Real Estate owned by the U.S., the Commonwealth of Massachusetts, a county, city or town, if used in connection with a business conducted for profit or leased or occupied for other than public purposes may be taxed to the user, lessee or occupant to the same extent as if the user, lessee, or occupant were the owner. No tax assessed can be a lien against the land, but the Collector of Taxes may sell the interest of any lessee for nonpayment of tax. This provision does not apply to a use, lease, or occupancy, which is reasonably necessary to the public purpose of a public airport, port facility, Massachusetts Turnpike, transit authority or park that is available to the use of the general public.

Charitable Organizations

Property owned by non-profit charitable organizations is exempt in Massachusetts. A "charitable organization" is a literary, benevolent, charitable or scientific institution or temperance society. Non-profit educational institutions and hospitals are generally considered charitable organizations.

An organization or institution will be considered charitable if the dominant purpose of its work is for the public good and not for the benefit of its members or a limited class of persons. The burden is on the organization asserting tax-exempt status to establish it.

The real estate of a charitable organization ceases to qualify for a tax exemption if the property is leased to a nonexempt lessee.

A charitable organization must file with the assessor annually a list and statement every year (Form 3ABC) and a copy of the report filed with the Division of Public Charities in the Department of the Attorney General.

If the dominant use of the property is not charitable, there will be no exemption. An organization which seeks an exemption on the ground of charitable exemption must file an application for abatement within thirty days after the mailing of the tax bill.

Other Exempt Organizations

Houses of religious worship and parsonages are tax-exempt. The exemption, however, does not extend to any portion of a house of worship, which is used for purposes other than religious worship or instruction. The occasional use of property by an organization exempt from taxation under 501-(c) (3) of the U.S. Internal Revenue Code is acceptable. Land owned by a religious corporation but not necessary or incidental to use of the church as a house of public worship is not exempt from taxation.

Cemeteries are tax-exempt.

Solar and wind powered systems for energy needs are exempt for twenty years.

Certain pollution control structures and devices are tax-exempt.

Certain personal property of certain business and manufacturing corporations is exempt.

There are fifty provisions relative to exemption of real and personal property. See Mass. General Laws, Chapter 59, §5 for a complete list.

Funding and Reimbursement

Generally, cities and towns receive no financial reimbursement for real property that is exempt.

For a limited number of personal exemptions, such as elderly, the Commonwealth provides each year for partial reimbursement to cities and towns.

Any law taking effect on or after January 1, 1981, which grants or increases exemptions from local taxation, will be effective in a city or town only if the city or town votes to accept the statutory provision; or if the General Court, at the same session in which the law is enacted, provides by general law and by appropriation for payment by the Commonwealth to each city or town of any loss of taxes resulting from the exemption.

PILOT Program - Exempt Organizations

Approximately 53% of the land area in the City of Boston is tax-exempt. A significant portion of the City is devoted to colleges, hospitals, cultural institutions and other charitable uses, and their property is generally exempt from taxation. Such institutions, however, still depend and utilize the municipal services provided by the City of Boston, i.e., police, fire, public health, snow removal and other resources.

To ensure the high level of municipal services provided, the City of Boston has instituted a payment-in-lieu-of-tax (PILOT) program. The PILOT program is a way that tax-exempt institutions contribute to the public expenses associated with the municipal services provided to the institution. The City's PILOT program is a national model for other cities across the country.

The Assessing Department's publication "Payment in Lieu of Tax Program - Guidelines" describes the PILOT program in detail. For a copy of this publication, or to find out more about this program, call the Assessing Department's Tax Policy Unit at (617) 635-4797. The City Clerks office, located in City Hall, Room 601, maintains all PILOT agreements for inspection and copying by the public. The City Clerk's telephone number is (617) 635-4600.

Notes:

Chapter
4

Triennial Revaluation

The law in Massachusetts requires that all property be assessed at its fair cash value - what a willing buyer would pay to a willing seller. The rationale for full value assessments is equity. Two houses of equal value should be assigned equal assessments.

The Assessors of each community are responsible for developing a program to accomplish a fair cash valuation of all property within the community. A continuing program of equalization must be developed in order to maintain fair cash values and to meet the triennial certification requirement established by law.

Data Collection/Analysis

Important components of a continuing equalization program include a periodic inspection of properties undergoing renovation, or that have recently sold; performing sales-ratio analyses by location and style of property; and a continuing program of updating assessment maps.

Inspection of the principal structures of a parcel is an important aspect of a revaluation program. Assessors will inspect each structure unless permission to inspect is denied. Where inspection is denied, the assessor will estimate the data sought based on his or her observation of the structure and neighborhood.

If the occupant is not at home, several additional attempts are usually made to visit the home. Usually a notification will be left at the home informing the owner that an unsuccessful visit has been made and that the owner should contact the assessor's office to arrange for an appointment. If no appointment is made the data collector will estimate the value in the same manner as if access were denied.

Assessors may request that an owner or lessee of real estate complete an information request containing such information about the property as may be reasonable to determine the actual fair cash value of the property. Failure to comply with the request within the statutory time period can result in a fine and loss of any right to appeal the assessed value to the state Appellate Tax Board.

How Values Are Determined

The job of the Assessor is to determine the market value of every parcel of property in a city or town as of each January 1.

In practice, there are three universally accepted approaches to value: market, income and cost.

Market Approach

Market sales of similar properties which sold in the year prior to January first are analyzed, compared and adjusted to forecast what the property would sell for on January first. When there are many sales, the market approach is the most accurate and dependable tool in the determination of value. Most residential property is valued by the market approach.

Income Approach

The income approach is most applicable to real estate that is normally bought and sold on the basis of its income-producing capabilities, such as retail stores, office buildings, apartment buildings and industrial properties. The approach requires significant data such as rents, occupancy rates, operating expenses, and investor requirements. The approach is most useful in valuing investment property where sufficient market sales are not available.

The income approach considers the income stream that a property is likely to produce for an investor over a definite period of time. The process of capitalization converts the future benefits of ownership into present worth or market value. The elements of capitalization are income (I), rate (R) and value (V). The income approach formula is expressed as follows:

$$\text{Value equals income divided by rate (V = I/R).}$$

Cost Approach

The cost approach involves an estimate of the current reproduction or replacement cost of the building, deducting an estimate of depreciation (or loss of value from any cause) and then adding an estimated value of land.

Reproduction cost is the amount of money necessary to erect a new structure that is an exact replica of the existing building. It is appropriate in the case of recent construction.

Replacement cost is the expenditure necessary to build a new building equal in utility to the original and able to serve as a substitute in function. It is more applicable to older buildings.

The cost approach is most applicable to special-purpose properties that are not readily sold or rented.

Final Correlation

The final step in the appraisal process is to analyze the value indications from the cost, market and income approaches and determine a single market value determination for the parcel of property.

Certification of Values

The Commissioner of Revenue determines triennially whether assessed values in a city or town represent full and fair cash valuation for each class of real and personal property. Cities and towns cannot implement the levy allocation provisions of the Classification Act unless the Commissioner has certified that local assessments reflect full and fair cash value. When the assessments are completed, the assessor submits a request for certification review to the Department of Revenue (DOR)

The Bureau of Local Assessment within the DOR conducts a statistical analysis and performs a preliminary field review. If all of the standards have been met, the Bureau notifies the city or town of preliminary certification.

After receiving preliminary certification, the assessors implement a program of public disclosure intended to provide taxpayers an opportunity to inquire about proposed new assessments. Upon completion of the public information effort, the assessors are required to supply the Bureau of Local Assessment with a list of all parcels that will have a proposed final valuation greater than ten percent from the initial proposed valuation.

Once the community receives certification from the Bureau of Local Assessment that the proposed values represent full and fair cash values, the city or town starts the classification process.

Notes:

A black square graphic with the word "Chapter" in white at the top and a large white number "5" in the center.

CLASSIFICATION

Classification Act

In 1978, the citizens of the Commonwealth adopted a Constitutional Amendment, authorizing the General Court to classify real property into as many as four classes and to tax such classes differently. In 1979, the General Court adopted an act that implemented the desires of the citizens. The act enjoyed popular support as a means to prevent the shifting of taxes from business property onto residential property as a result of court-ordered revaluations.

Classification does not raise additional dollars from the property tax. Preferential tax treatment for residential property is not required, but is rather a local option.

The Commissioner of Revenue supervises the implementation of property classification. After the Commissioner has determined that a city or town's assessed values represent full and fair cash value, the assessors classify all real property according to use. Local elected officials are then permitted to determine, within limits calculated by the Commissioner, what percentage of the tax burden is to be borne by each property class.

The determination whether to allocate the tax burden by class is made annually. In a city, the decision to allocate tax burdens in accordance with the law is made by the City Council, with the approval of the Mayor; in a town, the Board of Selectmen makes the decision.

Massachusetts law provides for three phases: first, every city and town must value all taxable property at full and fair cash value; second, each city and town must classify every parcel of property according to use; third, each city and town which has revalued and classified may allocate its tax levy among classes of property. The first and second steps are mandatory. The third stage is optional with each community.

Classes of Property

The first step in implementing the Classification Act is to assign each property to the appropriate class. In most instances, the usage class has been determined in the course of the revaluation.

Assessors in Massachusetts must assign all real property in the city or town according to its use: residential, open space, commercial, industrial space. Personal Property constitutes a separate class.

Each parcel must always be assessed at full and fair cash value.

Class One - Residential

Includes all property containing one or more units used for human habitation. The class includes accessory land and buildings such as swimming pools, tennis courts, garages and sheds. Single-family homes are in this class, as are large apartment buildings. Hotels and motels are not included in this class.

Class Two - Open Space

Includes land maintained in an open or natural condition, which contributes significantly to the benefit and enjoyment of the public. Such land cannot be held for the production of income.

Class Three - Commercial

Includes any property held for the purpose of conducting a business, such as office buildings, retail stores, etc.

Class Four - Industrial

Includes any property involved in manufacturing, processing or extraction. It includes utility real property used for storage and generation purposes.

Personal Property

Contains all taxable personal property of individuals, partnerships, associations and certain corporations. A large portion of this class is owned by public utilities.

Not all parcels of real property fall neatly into the four classes. Some property has a mixed commercial/residential use. The owner in such a case will receive one tax bill showing the valuation for the commercial portion, the valuation for the residential portion, and the tax rates and tax due on each portion.

Every city or town must value all property at its full and fair cash value and every city or town must classify every parcel according to its use. All property in a city or town must be classified even if the city or town intends to tax all classes at the same rate. Only communities that have done both can, at local option, allocate the tax levy among classes of property.

Minimum Residential Factor

Based upon the total valuation of each class as submitted by the Assessors, the Commissioner determines a minimum residential factor for each city and town.

The method for calculating the minimum residential factor is set forth in the General Laws (Ch. 58, §1A). The statute effectively sets a maximum limit on the amount of preference that may be extended to a favored class. The minimum residential factor is determined by the Commissioner based on arithmetical calculations based upon the statute.

Change in Classification Law

The citizens of the Commonwealth approved a constitutional amendment in 1978 authorizing the creation of four classes of real property and the taxation of these new property classes at different rates.

Following the passage of the classification amendment, the Legislature established statutory limits on the discount available to residential property, as well as the maximum increase that could be placed on business properties. Under the original legislation, the tax rate for residential property could be discounted down to 65% of the non-classified tax rate (i.e., what the rate would be without classification), provided that this rate did not increase the tax rate for business properties to more than 150% of the non-classified rate.

These limits remained until 1988, when valuation trends resulted in an increasing share of the property tax burden falling on residential properties. As a result, the Legislature expanded the statutory classification limits. The revised law provided that residential taxes can be no lower than 50% of the non-classified tax rate, provided that business properties not be taxed for more than 175% of what these classes would pay without classification. An additional limitation was imposed to ensure that the residential portion of the levy was not reduced below its lowest level since the implementation of classified rates. In Boston, this change effectively created a 70%-30% split between business and residential properties that existed through Fiscal Year 2002.

In Fiscal Year 2003, valuation trends again threatened to shift a significant portion of the City's tax levy onto residential taxpayers. The Mayor, with the support of the City Council, filed legislation to amend the classification law. Under the new law passed by the Legislature and approved by the Governor in January 2004, there will be expanded classification parameters for fiscal year 2004 through 2007. The expanded parameters for determining the maximum shifts for communities that qualify are:

Fiscal Year	Business Factor	Residential Factor
2004	200%	45%
2005	197%	47%
2006	190%	49%
2007	183%	50%

In fiscal year 2008, communities that used the expanded parameters in any of these years will have their maximum shift determined as under current law. Beginning in fiscal year 2009, however, the maximum shift in these communities will be based on business taxpayers paying no more than 170% of their fair cash value share of the tax levy.

Allocating the Tax Levy

Upon certification by the Commissioner of Revenue that assessments represent full and fair cash values and receipt of the minimum residential factor, each city or town, annually, must conduct a public hearing on the issue of whether or not to implement the preferential allocation aspects of the classification act.

The public hearing and decision whether to allocate must be held each year prior to issuing tax bills.

The key policy issues to be decided are:

1. What will be the residential factor? The residential factor determines the share of taxes each class of property will pay.
2. What will be the open space factor?
3. Will there be a residential exemption and, if so, how much?

The key issue is to determine the share of the property tax burden to be borne by each of the classes of real and personal property. The selectmen of a town, or the city council with the approval of the mayor in a city, can decide that each class will bear taxes in proportion to the full value assessments of the class (classification factor of 1 - no shifting) or, alternatively, that any class will bear a lesser share of the tax burden. If one class receives a preferential rate, the other classes will have a higher rate and bear a higher tax burden.

The maximum amount of discount available to the preferred class is determined by the minimum residential factor calculated by the Commissioner of Revenue. The residential factor adopted cannot be less than the minimum residential factor calculated by the Commissioner.

Local officials are not required to give the maximum discount to any favored class. They may choose any factor between the minimum residential factor (the highest discount for residential property) and the factor of 1.0 (treatment of all classes of property alike). Alternatively, a residential factor may be selected above 1.0 which would treat commercial, industrial and personal property as the favored class (shifting the burden onto residential property.)

The Classification Act also authorizes a further discount for open space. Any discount given to open space must be absorbed by the residential class. The open space factor was included in the Act in recognition that higher taxes force owners to sell or develop open land. The Act allows the preferential treatment of vacant land to foster the holding of private lands in a natural and open state.

Once a residential factor is selected (and an open space factor, if any), the percentage to be borne by the remaining three classes can be calculated according to the provisions of G.L. Ch. 40, §56.

The percentages and factors selected are reported to the Commissioner of Revenue.

Residential Exemption

Each city or town assessing all property at its full and fair cash value, as certified by the Commissioner of Revenue, must annually decide whether to adopt a residential exemption within the residential class for parcels that are the principal residence of a taxpayer.

A residential exemption is an assessed dollar amount of value that is exempt from taxation. It is a reduction in the amount of property tax that a homeowner would otherwise be asked to pay. For example, if the residential exemption were \$8,000, then a home with a market value of \$150,000 would be taxed on only \$142,000 of its value.

In Boston, the residential exemption can be between 0% and 30% of the average value of all residential property in a city or town. For example, if the average value of a home was \$180,000, the residential exemption could range from \$0 to \$54,000 of value.

A residential exemption can only apply to the "principal residence" of a taxpayer. A principal residence is one in which the taxpayer lives and which is used as a permanent home and legal residence. Summer or vacation houses are not eligible.

The residential exemption does not affect the share of the property tax levy to be paid by the residential class, but does affect the taxes paid within the residential class.

For example, an owner-occupied home will receive the benefit of the residential exemption, while a non-owner-occupied residence will not. Further, within the owner-occupied class, the residential exemption would have a greater effect on lower-value properties. The net effect of the residential exemption is a shift of tax burden within the residential class such that there is a higher effective rate on higher-value property than on lower-value property.

The residential exemption is a local option and is adopted in a town by the selectmen, and in a city, by the mayor with approval of the city council.

Notes:

Chapter
6

TAX RATES

Tax Levy

The annual assessment is determined as follows:

The **Total Amount to be Raised** includes all appropriations, debt and interest charges, overlay deficits of prior years, pension costs, state and county charges, allowance for abatement and exemptions (overlay), final court judgments and any other deficits.

The **Estimated Receipts and Revenue from all Other Sources** include all estimated receipts from the motor vehicle excise tax, other excises, payments in lieu of tax, charges for service, fees, department revenues, license and permit fees, fines, investment income, state aid (cherry sheets), and appropriations from any other available funds.

Amounts for each of these items are placed on the Tax Rate Recapitulation sheet that is filed with the Commissioner of Revenue. A tax rate will not be approved until the Commissioner determines that the estimated receipts, deductions and the overlay addition are reasonable and in full compliance with the law.

The Net Amount to be Raised by Taxation is calculated by subtracting Estimated Receipts and Revenue from all sources from the Total Amount to be Raised.

The **Net Amount to be Raised by Taxation** is the property tax levy for that fiscal year.

The **Net Amount to be Raised by Taxation** cannot exceed the property tax levy limit for the city or town pursuant to Propositions 2½.

Proposition 2 ½

Proposition 2½ was adopted by the citizens of the Commonwealth as an initiative petition in 1980.

Its principal provisions are as follows:

- limits the property tax levy in a city or town to no more than 2.5% of the total fair cash value of all taxable real and personal property
- limits the property tax levy (the amount of money to be raised by the property tax) to no more than a 2.5% increase over the prior year's levy limit (with certain provisions for new growth and construction)

- provides for local overrides of the levy limit and a local option to exclude certain debt from the limit
- limits certain state agency and authority assessments on the city or town to an increase of no more than 2.5% per year (except for services added by request)
- repealed school committee fiscal autonomy and binding arbitration for public employees
- prohibits unfunded state mandates
- limits the motor vehicle excise to \$25 per thousand of value
- allows renters a deduction on their state income tax

Proposition 2 ½ - Levy Limit

Each year the Commissioner of Revenue determines for each city and town the maximum levy limit pursuant to Proposition 2½ (M. G. L. Ch. 59, § 21C).

Proposition 2½ contains two limitations on the amount of property taxes a city or town can raise:

- 1.** The property tax levy ceiling (the amount raised) can never exceed 2½% of the full cash value of all taxable property in the city or town.
- 2.** The total taxes assessed for any fiscal year cannot exceed an amount equal to 2½% of the maximum levy limit for the preceding fiscal year. The maximum levy limit can be adjusted to reflect any new construction or new growth certified by the Department of Revenue.

Proposition 2½ contains certain provisions by which the voters can approve certain exceptions to the general limitations.

The levy can be increased by the adoption of an override. The voters of the city or town may vote to raise additional revenues by a specific amount. An override question may be placed on the ballot in a general or special election. The increase approved by a majority of voters becomes part of the base for calculating future year's levy limits. An override of the Proposition 2½ levy limit does not allow the levy to exceed the levy ceiling.

The levy can also be increased by the adoption of an exclusion. The exclusion provision allows the voters of the city or town to exclude bonds or debt, or capital outlay expenditures from the proposition 2½ limitations.

No Proposition 2½ override or exclusion questions have, thus far, appeared on the ballot in the City of Boston.

The tax rate cannot be set in any city or town until the rate has been approved by the Commissioner of Revenue as in compliance with Proposition 2½.

Proposition 2 ½ Common Questions

How does Proposition 2½ affect my individual tax bill?

The levy limit provisions of Proposition 2½ affect the total amount of taxes to be raised by a city or town. It does not apply to an individual tax bill.

How does Proposition 2½ affect the tax rate?

Proposition 2½ sets the maximum amount of property taxes (the levy) that a city or town can raise.

Once the amount to be raised is determined, a tax rate is calculated by dividing the amount to be raised by the total valuation of the city or town.

Whether the tax rate for a community will increase or decrease from the prior year will depend upon the levy decided upon by the community; and whether property values appreciate, depreciate or remain steady in the particular community.

Tax Rate - General

Once the public hearing has been held and the percentages of the tax levy to be borne by each property class have been determined and approved by the Commissioner of Revenue, the Assessors, using those percentages, determine the local tax rates and submit the rates for final approval to the Department of Revenue. The percentages adopted and the final certified assessment must be used in determining the tax rates.

In a community which has decided not to allocate the tax levy (i.e., has selected a residential factor of 1), the tax rate is determined by dividing the tax levy by the total assessed value of the city or town.

In a community which has decided to allocate its tax levy among classes of property (i.e., has selected a residential factor more or less than 1) the tax rate for the particular class is determined by dividing the percentage of the tax levy that will be borne for the property class by the total assessed valuation of the property class.

No tax bill can be mailed until the rate has been approved by the Commissioner of Revenue. The Commissioner determines whether the amounts to be raised by taxation, deductions and overlay comply with the law and are reasonable in amount. The tax rate may not be changed after it has been approved by the Commissioner and returned to the assessors.

The Commissioner may not approve a tax rate which would allow the amount of property taxes levied to exceed the levy limit established by Proposition 2½.

Notes:



TAX BILLS

Quarterly Tax Bills

The City of Boston has adopted the provisions of Massachusetts law which allows cities and towns to issue tax bills on a quarterly basis.

A preliminary payment is due August first, First Quarter and November first, Second Quarter, of each year. The amount is equal to fifty percent of the prior year's tax including betterments, and special assessments and reduced by any abatements and/or exemptions, divided into two equal payments. The result may be adjusted by the 2.5% increment allowed by Proposition 2 $\frac{1}{2}$, and divided evenly between the 1st and 2nd quarter tax bills. The preliminary tax is not an estimated tax bill for the new fiscal year, but, as indicated, is a preliminary payment amount based upon the prior year's tax due.

The third quarter bill is issued in late December of each year, and indicates the fair cash value assessment for the fiscal year and the tax owed. It is the date of this bill on which the appropriate dates for applications for certain personal exemptions are based. Any exemption for which a taxpayer is eligible appears as a credit on this bill.

The tax due, less the earlier preliminary payments and any exemption for which the taxpayer is eligible, is payable in two equal installments:

- the Third Quarter payment is due on February 1
- the Fourth Quarter payment is due on May 1

Tax Bill Explanation

After the Commissioner of Revenue approves the tax rate, the assessors commit their tax list (also known as a commitment list) to the collector of taxes. In Boston, the Collector-Treasurer of the City of Boston sends tax bills. The bill is sent to the assessed person at the address where he or she resided on January first of the year to which the tax relates, or to a new property owner if the assessor's office has been notified and has recorded the new information.

The Third Quarter tax bill, issued in December, indicates the following information:

TOP LEFT
PORTION of Tax
Bill (Collector's copy)

This form approved by Commissioner of Revenue		THE COMMONWEALTH OF MASSACHUSETTS	
		CITY OF BOSTON	
		OFFICE OF COLLECTOR OF TAXES	
		Collector of Taxes	
WARD	PARCEL NO.	BILL NO.	
LOCATION			
Owner of Record Mailing Address			

Assessed Owner

Property taxes each fiscal year are assessed to the owner of the property on January 1.

If the property has been sold after January first, the new owner will not appear as the assessed owner until the next fiscal year billing cycle. For example, if a sale occurred after January 1, 2007, the preliminary tax bill in July and October 2007, and the tax bill in January and April of 2008 would reflect the previous owner's name. The new owner's name will not appear on the bill until the fiscal year 2009 tax bill cycle which commences in July 2008.

Even though the tax is assessed in the name of the previous owner, the new owner is responsible for all taxes once the sale is concluded. As noted above, the tax bills may be mailed to a new property owner if the assessors have been notified.

Location

Location indicates the address of the assessed property.

Ward/Parcel Number

Each parcel of property is assigned as unique ward and parcel identification number on the City of Boston.

WARD	PARCEL #	BILL NO.
------	----------	----------

Tax Rate

The tax rate is determined each year according to the process set forth in the General Laws and the guidelines issued by the Commissioner of Revenue. The tax rate is expressed as a certain amount of dollars per one thousand dollars of valuation.

LEFT PORTION of
Tax Bill (Customer's
copy)

	RESIDENTIAL	OPEN SPACE	COMMERCIAL	INDUSTRIAL
	1	2	3	4
TAX RATE PER \$1,000	GENERAL			
	TOTAL			
BANK NO.	LOCATION:			

Classes of Property

The General Laws authorize the classification of real property into four classes (residential, open space, commercial and industrial). Cities and towns are further authorized to determine a different tax rate for each of the classes according to the classification formula set forth in the General Laws.

CLASS	DESCRIPTION	SPECIAL ASSESSMENTS

Class and Description

The real property is indicated by class and a short description of the use.

RIGHT PORTION of tax bill (Collector's copy)

TOTAL FULL VALUATION	
RESIDENTIAL EXMPTION	
TOTAL TAXABLE VALUATION	
1 ST PREL. OVERDUE	
2 ND PREL. OVERDUE	
SPEC. ASSMNT. DUE	
TOTAL TAX SPEC. ASSMNT DUE	
PERSONAL EXEMPTION	
PAYMENTS TO DATE/CREDITS	
NET TAX & SPEC. ASSMNT. DUE	
1 ST TAX PYMT. DUE BY FEB. 1	
2 ND TAX PAYMENT DUE BY MAY 1	
TAX DUE	
COST	
INTEREST	
PAY THIS AMT BY	

Total Full Valuation

For fiscal year 2008 the fair cash value of the property on January 1, 2007 as determined by the board of assessors. Fair cash value is the price that an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy.

Residential Exemption

The City of Boston is authorized to grant a residential exemption of not more than thirty percent of the average assessed value of all Class-One residential parcels to residential property which is the principal residence of the taxpayer. The residential exemption reduces the tax liability of owner-occupied residential properties. The exemption is expressed in dollars of valuation.

Total Taxable Valuation

The total taxable valuation is the total full valuation of the property, less the amount of any residential exemption.

First Preliminary Overdue

This dollar amount, if applicable, represents the amount still due on the first quarter tax bill, due on August first.

Second Preliminary Overdue

This dollar amount, if applicable, represents the amount still due on the second quarter tax bill due on November first.

Special Assessment Due

A special assessment is a tax imposed on real property that received a benefit from a public improvement, such as sidewalks. Special assessments constitute a lien on the land.

Total Tax & Special Assessments Due

The total of the real estate tax and any special assessments.

Personal Exemption

The General Laws authorize a partial exemption from taxes for certain elderly, surviving spouse and children, blind, and certain veterans. If a taxpayer is eligible for an exemption, the amount in dollars will be subtracted from the total tax due.

Payments to Date/Credits

Any payments that have been made on the first and second quarter preliminary tax bills will be subtracted from the total tax due.

Net Tax & Special Assessments Due

The total of all taxes and special assessments less any exemptions and credits.

TAX DUE	
COST	
INTEREST	
PAY THIS AMOUNT BY	

Tax Due

The tax due is divided into two equal payments, one half payable as the Third Quarter (by February 1), and the remainder, payable as the Fourth Quarter (by May 1).

Cost/Interest

The Collector/Treasurer is authorized to add costs and interest if any payments are late (14% per annum).

Pay This Amount By

Payments must be made by the date indicated on the tax bill. Make checks payable to: City of Boston. Mail payments to: City of Boston, P.O. Box 55808, Boston, MA 02205-5808.

Tax Billing Information Due Date/Interest

Important information about payment due dates, interest charges and abatement and exemption applications is contained on the reverse side of the tax bill.

Further Information:

On Assessments:

Assessing Valuation Division
Assessing Department
Room 301, Boston City Hall
Boston, MA 02201
(617) 635-1141

Taxpayer Information

Taxpayer Referral & Assistance Center (TRAC)
Boston City Hall, Mezzanine level,
Boston, MA 02201
(617) 635-4287
On-line at www.cityofboston.gov/assessing

On Current Fiscal Year Payments:

Taxpayer Referral & Assistance Center
Boston City Hall, Mezzanine level,
Boston, MA 02201 (617) 635-4287
On-line at www.cityofboston.gov/assessing

On Past Fiscal Year Payments

Collector's Office, Room M5
Mezzanine level
Boston City Hall,
Boston, MA 02201
(617) 635-4131, 4132

NOTE: For past due Real Estate and Personal Property tax amounts call the Collector's office at (617) 635-4131 or 4132.

Notes:

Chapter
8

ABATEMENT PROCEDURE

An abatement is a refund of a property tax payment based upon a reduction of the assessed value of the property. The filing of an abatement application is the first step if a taxpayer desires to protest his or her assessment.

Under the Quarterly Tax Bill system in the City of Boston, the Third Quarter bill is generally issued in late December of each year. Abatement applications must be filed by the third quarter tax payment due date, which is February 1.

The application is a formal notice to the assessors that the taxpayer disagrees with the value assessed. The abatement process is the only legal method to correct an assessment.

Assessors must act on all applications for abatement or exemption within 3 months from the date they were filed with the assessor.

An abatement or exemption, if granted, will result in a refund or a credit.

An abatement or exemption is applicable only to the tax year in which it is granted. Each year, a new assessment roll is produced based on the value and use of the property as of January 1. Obtaining an abatement in a given year does not mean that a taxpayer will automatically receive the same abatement in subsequent years. If a tax bill fails to reflect an abatement or exemption granted in the year previous, the taxpayer carries the burden of filing an abatement or exemption application within the required time period and reestablishing that he or she is eligible for the abatement or exemption.

A taxpayer may appeal a determination of the assessor on an abatement or exemption application to the Appellate Tax Board of the Commonwealth of Massachusetts within three months from the date the assessor acted, or the date the application was deemed legally denied by inaction.

When an appeal has been properly filed at the Appellate Tax Board, the assessor can continue to officially review and act on the application.

If the statutory time periods are not followed, neither the assessor nor the Appellate Tax Board can legally take any action upon the application.

Guide to Abatement Application Dates

ABATEMENT/EXEMPTION	STATUTORY CITATION	APPLICATION DATE (Quarterly Billing System)
ABATEMENT		
Overvaluation Improper Classification Disproportion	CH. 59 § 59	February 1* (third quarter tax payment due date)
EXEMPTION		
Residential	CH. 59 § 5C	Within 3 months of the mailing of the Fiscal Year 3rd Quarter tax bill
EXEMPTION		
Elderly Surviving Spouse/Child Blind Veteran Surviving Spouse/Child of Police/Fire Hardship	CH. 59 § 5 (41C) CH. 59 § 5 (17D) CH. 59 § 5 (37A) CH. 59 § 5 (22, 22A, 22B, 22C, 22D, 22E) CH. 59 § 5 (42, 43) CH. 59 § 5 (18)	Within 3 months of the mailing of the Fiscal Year 3rd Quarter tax bill
EXEMPTION		
Charitable	CH. 59 § 5 (3)	February 1*
EXEMPTION		
All Other	CH. 59 § 5	February 1*
DEFERRAL		
DEFERRAL	CH. 59 § 5 (41A)	Within 3 months of the mailing of the Fiscal Year 3d Quarter tax bill

*Application date. However, when February 1 falls on a weekend, applications are due the first Monday immediately following February 1.

Grounds for Abatement

A taxpayer may contest his or her property tax liability on the following grounds:

- overvaluation
- disproportional assessment
- improper classification
- statutory exemption

Overvaluation

Overvaluation involves the claim that the assessment exceeds the fair cash value of the property on the assessment date.

For example, if a taxpayer's residence was worth \$200,000 on the open market on January 1 and the assessed value for the fiscal year is \$225,000, the taxpayer would file an abatement application based upon overvaluation.

Disproportional Assessment

Disproportional assessment is the claim that a taxpayer's property was assessed at a proportion of fair cash value greater than the average proportion at which other properties in the city were assessed.

Assessors are legally required to assess properties at 100% of their full cash value. The assessors may also allocate the taxes among different classes of property. The Commissioner of Revenue must certify full and fair cash values as well as the tax rates for different property classes. Under this system, the City of Boston applies the tax rates based on use classification that are certified by the Commissioner of Revenue to properties uniformly assessed and certified at 100% full and fair cash value. A taxpayer that seeks abatement due to disproportionate assessment must therefore challenge both legal certification by the Commissioner of Revenue and implementation of that certification by the assessors.

Improper Classification

The use of the property on the assessment date will determine the class to which the property is assigned. Abatement may be warranted where there is an improper classification of use, or where property is used for several purposes and the percentage allocation of such use is in error.

For example, if a building contained a commercial use on the ground floor and two apartments on the upper floors, the tax bill might indicate an allocation of 30% to commercial use and 70% to residential use (and be taxed at the rate appropriate to that class). If the percentage allocation were claimed to be erroneous, a taxpayer would file an abatement application on the grounds of improper classification.

Statutory Exemption

The General Laws of the Commonwealth provides an statutory exemption from taxation for certain types of property and a partial exemption from taxation for certain classes of individuals. A partial exemption is available for real property of certain veterans, blind persons, elderly, surviving spouse, surviving minor children, aged and infirm, and persons facing unusual hardship.

Fair Cash Value Standard

The standard of valuation of real property is fair cash value. Fair cash value is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and it cannot exceed the sum which the owner after reasonable effort could obtain for the property.

When valuing residential parcels, the Assessing Department normally relies upon the market data or comparable sales approach. The taxpayer should look at recent sales of houses in the neighborhood and compare the features of these properties with his or her own in order to estimate the fair market value of the taxpayer's house.

The value of other types of property such as commercial or income property is determined by the cost approach, market data approach, or capitalization of income approach.

Assessments are based on the valuation of the property on the assessment date. The assessment date in all cities and towns in Massachusetts is the January first prior to the beginning of the fiscal year for which the tax is assessed. For example, for fiscal year 2008 (July 1, 2007 – June 30, 2008), the assessment date is January 1, 2007. For fiscal year 2009 (July 1, 2008 – June 30, 2009), the assessment date is January 1, 2008.

Who May Apply

Only the following persons can apply for abatement:

- the person to whom the tax has been assessed;
- the administrator of his or her estate;
- the executor or trustee under a will;
- a tenant paying rent and under obligation to pay more than one-half the tax;
- a person other than the person assessed if he pays the tax and is the owner, or has an interest in the property, or is in possession;
- a mortgagee if he pays more than one-half of the tax and files for an abatement between September 10 and October 1;

- a person acquiring title after the January 1 assessment date.

An authorized agent can sign an abatement application for any of the persons listed on the preceding page.

Application Procedure

An application for abatement must be filed by the third quarter tax due date, which is February 1. (if February 1 falls on a weekend, abatement applications are due the first Monday immediately following February 1)

Abatement application forms are available during the abatement filing period ONLY at the Assessing Department, Room 301, 3rd Floor, City Hall, Boston, MA 02201. Abatement Applications can also be obtained on-line during the abatement filing period ONLY at www.cityofboston.gov/assessing. Go to the FORMS link.

All applications must be filed at the Assessing Department prior to the expiration of the statutory abatement period. The City encourages the filing of applications in person rather than through the U. S. mail, or by fax. Assessors cannot act on an application that is filed late.

The tax abatement procedure is governed by the General Laws of the Commonwealth of Massachusetts. There are procedural requirements and deadlines that must be met in order to be eligible for abatement. .

Payment of Tax

If the total tax is more than three thousand dollars, the taxpayer must pay the full tax due on time or the right to appeal a decision of the Assessing Department to the Appellate Tax Board may be jeopardized.

There is an alternative, three - year average method of payment (M. G. L. c. 59, § 64) and a procedure through which the Appellate Tax Board can extend the time for payment of the second half tax (M. G. L. c. 59 § 65B). Nevertheless, even if these methods are used any unpaid balance will accrue interest and fees, and the taxpayer will receive delinquent notices.

With respect to personal property, a taxpayer must pay at least one half of the tax to preserve his or her rights, regardless of the total amount of the personal property tax bill.

Information Request

When the application for abatement is filed, the taxpayer will be requested to provide additional information required by the assessor to determine the merits of the claim.

In the case of an abatement application based on overvaluation, improper classification or disproportionate assessment, the taxpayer will be provided with

an information requisition form that must be returned within thirty days. Failure to complete and return the form within the time specified will result in a denial of the abatement application and may bar an appeal to the Appellate Tax Board.

In the case of an application for various exemptions, specific forms must be completed and filed setting forth the qualifications of the taxpayer.

It is always in the taxpayer's interest to file all required forms as early as possible so that the assessors may make a timely decision.

Assessor Action

The Assessing Department has three months in which to act on applications for abatement which have been filed on time. A reasonable abatement will be granted if the property was assessed in excess of its fair cash value, at more than its just proportion, or improperly classified.

The Assessing Department attempts to review within the statutory time period all abatement applications that have been filed timely with required supporting materials.

If abatement is granted, a **notice of approval** will be mailed to the taxpayer indicating the amount to be abated.

A **notice of denial** will be mailed if no abatement will be granted by the Assessing Department.

An **inaction notice** indicates that the abatement application has not been processed within three months of filing and that the application is deemed denied by operation of law, M. G. L. Chapter 59, § 64.

Appeal to Appellate Tax Board

If the taxpayer is dissatisfied with the decision of the Assessing Department or if the application is deemed denied by reason of inaction, the taxpayer may file an appeal with the Appellate Tax Board. The Appellate Tax Board is a state administrative agency authorized to hear appeals of decisions of local boards of assessors with respect to abatements.

The taxpayer must file the appeal within three months of an approval or denial of an abatement application by the Assessing Department, or within six months of the date the application for abatement was filed, if there was no decision or if the taxpayer received a notice of inaction.

The Appellate Tax Board is located 100 Cambridge Street, 2nd Floor, Suite 200, Boston, MA 02114. The telephone number is (617) 727-3100.

During the appeal period (within three months from the date of the assessor's decision or three months from the date the application is deemed to be denied by inaction), or while the appeal is pending before the Appellate Tax Board, the assessors may agree to abate the tax in whole or in part in final settlement of the application.

Everything You've Ever Wanted to Know About Property Taxes

A taxpayer whose tax is abated will, if the tax has been paid, be reimbursed the amount of the abatement with interest at 8% from the time of payment of the tax.

The decisions of the Supreme Judicial Court make it clear that taxpayer adherence to the time schedule contained in the General Laws is an essential prerequisite to an effective application for abatement of a tax and to the prosecution of an appeal to the Appellate Tax Board.

Notes:

Chapter 9

Research Resources

The following records are generally found in an assessor's office:

ASSESSING MAPS - indicate parcels, lot numbers, parcel dimensions, structures and subdivisions.

OWNERSHIP - lists owners of property as of January first.

PROPERTY RECORD FILE - contains all current descriptive physical data for each parcel, including location, building characteristics, use information, building perimeter sketch, and legal description and title reference.

SALES FILE - record of sales occurring in the community for a particular year.

VALUATION BOOK - contains owner's name, address, and location of property, classification and valuation of real and personal property in the city or town for a fiscal year. The book also includes a description of all property exempt from taxation.

EXEMPTION FILE - contains owner's name, address, year of application, type of exemption, and amount of exemption granted.

ABATEMENT RECORDS - abatements which are granted are posted in books available to the public. Abatement records indicate the name of the owner, the year in which the tax is assessed, the total amount of tax, the date of the abatement, amount of abatement, and statutory reference. Applications for an abatement are not public records.

BETTERMENT RECORDS - lists improvements made to property such as street, sewer or sidewalk assessments.

CORPORATION BOOK - lists organizational status of businesses in the Commonwealth, including those that have been designated as manufacturing corporations.

Assessor's offices also contain personal property records, charitable organization returns, and reports and returns required to be filed with the Commissioner of Revenue.

Not all of these records are public. The following section describes in greater detail the standards applicable in determining whether a record is public.

Disclosure of Records

Assessors require large amounts of information in order to value property. In recent years, concern has been expressed that this large amount of data may be obtained by private individuals for purposes unrelated to the assessing function.

In weighing the need for public access to assessor's records to ensure fair assessments, versus the concern that the assessor's office could become a business information source about the local real estate market, the Massachusetts General Court enacted Chapter 385 of the Acts of 1986 regarding the disclosure of certain assessment records (G.L. Ch.59, § 52B.) and established guidelines for the release of records in an electronic form (G.L. Ch.59, § 52C.).

Public records are broadly defined in Massachusetts. However, Chapter 59, § 52B exempts from the public record definition certain information that is provided to the assessors pursuant to a statutory information request. Such information is open only to the inspection of the assessor, the Commissioner of Revenue, their staffs and local officials in the performance of their official duties, except where inspection is ordered by the Appellate Tax Board, or by a court, or in cases where the assessed owner requests market data relating to any comparable sale used by assessors in determining the value of his or her property.

Chapter 59, § 52C specifies that the public records law is not deemed to authorize public access to terminals or other electronic data processing equipment.

Applications for abatement are not public records. Nevertheless, all final abatements that are approved by the assessors are considered public records.

Assessing records which are public in the City of Boston are available in the Assessing Department, Public Research Room 301, City Hall, Boston MA, Monday - Friday 9:00 a.m. - 5:00 p.m. Personnel are available to assist individuals who seek public record information.

If a record is not immediately available, or if there is a question as to whether the record is excluded from the definition of public record, make the record request in writing, specifying with as much detail as possible the record sought, and file the request with the Taxpayer Referral & Assistance Center (TRAC) (617) 635-4287. You will be notified within ten days as to whether the record may be inspected and a copy obtained.

Information Publications

Exemption Brochures

Statutory Exemptions
Elderly (Clause 41C)
Surviving Spouse, Minor Children, Elderly, (Clause 17D)
Veterans (Clause 22)
Blind (Clause 37A)
Hardship (Clause 18)
Hardship (Clause 18A)
Tax Deferral (Clause 41A)
Deferral (18A)
Charitable Organizations
Religious Organizations

Taxpayer Advisory Brochures & Forms

Abatement Procedure
Real Estate Tax Bill Mail Address Change Card
Business Personal Property Tax bill Mail Address Change Form
Personal Property Tax
Residential Exemption
Elderly Volunteer Property Tax Work-Off Program

Other Publications

Annual FY Report Assessing Department
FY Facts and Figures
Property Tax Exemptions for Organizations
PILOT Guidelines

Materials listed above are available in the Taxpayer Referral & Assistance Center, Room M5, City Hall, Boston MA. Taxpayers may obtain copies in person, order by telephone at (617) 635-4287, or order by mail or email at www.cityofboston.gov/trac. Please allow 2-3 weeks for mailing.

Real Estate Property Record Card Request Form

Obtain a record card for property situated within the City of Boston by completing and mailing the request form. A \$5.00 fee per parcel is applicable for each record card payable by cash, check or money order made payable to the City of Boston. Note: the fee is waived if the requestor owns the property. A signature is required for an owner who seeks the waiver.

Property Record Card Request form can also be obtained on line at www.cityofboston.gov/assessing. Go to Forms on the menu. You can also request cards by calling the Assessing Department at 617-635-3742.

Abutter Lists

There are a variety of reasons why someone would request an abutter list from the Assessing Department. The requirements for each abutter request depends on the nature of the business intended for the subject property. The following represents the types of abutter requests received by the Assessing Department:

- Liquor license – requires that the immediate abutters, along with all schools, hospitals and churches within 500 feet be notified.
- Common victual (restaurants, etc.) – should only notify immediate abutters
- Lodging house – notify immediate abutters within 300 feet
- Entertainment, Arcade, Carnival – notify immediate abutters only
- Pool Table, Billiards – notify immediate abutters only

Abutter lists can be obtained at the Assessing Department, Room 301, City Hall, (617) 635-3742.

Assessors Maps

These are historical maps that date back to the early 1900's. The maps are requested by individuals seeking deed references and parcel boundaries. They come in two sizes, 8½ x 11 and 24x18 inches.

Assessor maps can be obtained at the Assessing Department, Room 301, City Hall, (617) 635-3742.

Property Data Records - Bulk Data Products

The primary function of the City of Boston Assessing Department is the valuation of real and personal property in Boston. The Department does address requests for certain public records in bulk. In order to meet the demands for public records the Assessing Department has developed a standardized inventory of data "products". These reports contain property information that the Department collects and maintains. They are updated once a year, in February.

What type of bulk data is available?

Generally, information on selected property characteristics such as:

- ward and parcel number
- land use
- address
- ownership, billing information
- assessed values.

NOTE: All sales are final. Exchanges only for defective product.

How is this bulk data provided?

The information requests that the Assessing Department receives usually, involve three topics:

- data on property tax bills, and
- data on property
- property map data

Note: Bulk Data products contain information that was developed for the internal use of the City of Boston Assessing Department only. Any other use of this material is undertaken at the user's own risk.

What products re available?

- Property Data CD ROM (LITE or FULL version)
- GIS Map data CD ROM
- Tax Bill Data paper printouts

How do I obtain data?

To obtain information, forward a request for Bulk Data Information to: Assessing Department, Room 302, Boston City Hall, Boston, MA 02201. For information concerning bulk property data products call (617) 635-4991.

Digitized Map File Information

What Type of Map file data is available and how is it provided?

The GIS parcel data is available in (Environmental Systems Research Institute) **ESRI Shapefile format**. It was produced using ESRI ArcEdit 8.2, and can be opened directly with ArcView or imported into other GIS software formats. The parcels are stored as polygons, with attribute data linked to each polygon containing the legal, 10-digit parcel identifier. Please check your software documentation to verify data import capabilities.

Note: Bulk Data products contain information that was developed for the internal use of the City of Boston Assessing Department only. Any other use of this material is undertaken at the user's own risk.

File format

The GIS data set contains seven separate files:

FY_Parcels.dbf
FY_Parcels.shx
FY_Parcels.shp
FY_Parcels.sbx
FY_Parcels.sbn
FY_Parcels.shp.xml
FY_Parcels.prj

NOTE: All sales are final. Exchanges only for defective product.

Notes:

The correct geographic projection for these files when importing them into a CAD or GIS package is US State Plane Coordinate System 1983, Massachusetts Mainland Zone 1983.

The parcel shapes in these files represent topographic land parcels, i.e. those parcels occurring on the ground, and do not include condo units, air - rights, billboards, or many of the leased areas for which a parcel identification number may have been assigned in the Assessing Property Data files.

These files were created for Assessing purposes only and the Assessing Department will not accept any liability for errors or inaccuracies created in the manipulation of these files for external use.

The Assessing Department will not provide any technical assistance regarding the importing of these files beyond what is contained in this document.

How is this mapping data provided?

Data is available on a citywide (22-ward) basis only, in (Environmental systems Research institute) **ESRI Shape file format** on CD-ROM. It was produced using ESRI ArcEdit 8.2 and can be opened directly with ArcView or imported into other GIS software formats. The parcels are stored as polygons, with attribute data linked to each polygon containing the legal, 10-digit parcel identifier.

How do I obtain data?

To obtain information on the CD ROM available, send your request to: Assessing Department, Room 302, Boston City Hall, Boston, MA 02201. For information concerning bulk Digital map data call (617) 635-4991.

Taxpayer Information On-line

Basic property taxpayer, property data, and property tax bill payments information is available on the City of Boston website at www.cityofboston.gov/assessing.

You can also contact the Assessing Department with questions or to seek assistance at www.cityofboston.gov/assessing

Taxpayer Referral & Assistance Center (TRAC)

The Taxpayer referral & Assistance Center offers one-stop services to taxpayers.

The TRAC assists taxpayers with questions about:

- Personal exemptions and the residential exemption
- Current real and personal property tax
- Motor vehicle excise
- Ward and parcel number
- Duplicate tax bills
- Property tax abatement information
- Current year tax bill payment information
- Other tax-related questions.

Call the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287.

Contact via web at: www.cityofboston.gov/assessing

Visit the TRAC, Room M5, Mezzanine level of Boston City Hall, weekdays, 9 AM – 5 PM.

Log On to Assessing-on-line for electronic information at: www.cityofboston.gov/assessing

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Everything You've Ever Wanted to Know About Property Taxes

Frequently Asked QUESTIONS

Tax Bill and Tax Bill Payments

When are real property tax bills mailed and payments due?

The City of Boston employs a Quarterly tax billing system. Tax bills are mailed four times a year:

1st Quarter - July 1st

2nd Quarter – October 1st

3rd Quarter - January 1st

4th quarter - April 1st.

The bills are sent thirty (30) days prior to the dates they are due. The quarterly tax payments are due on the following dates:

August 1st

November 1st

February 1st (if February 1 falls on a weekend, taxes and abatement applications are due the first Monday immediately following February 1)

May 1st

Tax bill payments are due thirty days from the date the tax bill is issued.

Where should I mail my real estate tax payment?

Please mail payment to:

Collector of Taxes
City of Boston
P.O. Box 55808
Boston, MA 02205

Please make checks payable to: City of Boston. For proper crediting, write the ward and parcel numbers on the check and enclose the top portion of your tax bill. To obtain a receipt, enclose a self-addressed stamped envelope and both portions of the bill with the payment.

What happens if I do not pay my tax bill?

Tax payments must be received on or before the due date to avoid interest charges. If payment is not made within 30 days of the original date of mailing, the account will begin to accrue interest at the rate of 14% per diem, computed from the date the bill was due.

In addition, a demand notice will be sent and a demand fee of \$5.00 is charged against the account. If the account remains outstanding 14 days after the issuance of the demand notice, a warrant notice is sent. The warrant fee is \$9.00.

Please note that demand and warrant notices are sent only on the third and fourth quarter bills.

If the account remains delinquent after June 30th of the fiscal year, a tax lien (a legal claim placed on property for debt) is placed on the property and is recorded with the Suffolk County Registry of Deeds. In addition, the property is placed in the tax title system. A tax lien is the first step in the foreclosure process. All taxes, costs and interest must be paid to prevent foreclosure.

Why should I pay interest on a late payment when I never received my tax bill?

Under state law, failure to receive a bill does not affect the validity of the tax or any interest or fines incurred due to late payment(s).

It is the responsibility of the taxpayer to secure his/her tax bill when one is not received. You can request a Duplicate Tax Bill via TRAC Contact form at www.cityofboston.gov/assessing or by calling the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287 to request the bill. Actual duplicate tax bills are sent via regular mail only or may be picked up in person at the TRAC Office. The TRAC Office will mail you a duplicate bill on request. However, the request must be received early enough to allow sufficient time to avoid late charges.

What happens if the check I mail is returned due to insufficient funds, signature or technical errors?

If your check is returned due to insufficient funds, absence of signature, or technical error, the account will have the same status as an 'unpaid' account. It is the Collecting Division's policy not to redeposit checks. The Collecting Division's Teller Operations makes every effort to notify via first class mail. Also, you should receive notice from your bank of the bad check and your bank statement will reflect that the check has not been cashed.

As provided by law, a penalty charge of \$25.00 or if check is greater than \$2500.00, 1% of the amount of the check (whichever is greater) will be assessed to your tax account for each bad check received, in addition to any other fees and interest applicable. You should, therefore, mail or submit in person a replacement certified or registered check.

What happens when a tax bill is paid, but you receive a demand notice for tax not paid, or, you find out that you overpaid?

If you or your mortgage company has paid the tax bill and for some reason you receive a demand notice for non-payment of tax due, you must provide proof of payment.

Proof of Payment

The Collecting Division proof of payment policy is based on guidelines issued by independent auditors. Any request for an adjustment in payment, such as a transfer of funds or a refund, must meet the following requirements:

- Request must be in writing.
- Photocopies of the front and back of the canceled check(s) applied to the account or original receipts of all payments applied to the account (or any combination of the two) must be submitted.
- If one check was issued to pay more than one account, (as many banks and mortgage companies usually do) in addition to the photocopy of the front and back of the canceled check(s) used to pay the account, you must provide a list of all the ward and parcel numbers which said check was to pay.
- For payments made by money order, a photocopy of the original money order, not the "non-negotiable consumer's copy:" is required.

On receipt of the written request and submission of complete documentation, our research staff examines the information verifying such with our records.

If you require additional assistance, please contact the Collector Treasurer at (617) 635-4131, or visit the customer service window (M-16) on the Mezzanine level of Boston City Hall between 9:00 a.m. and 5:00 p.m., Monday through Friday.

How can I obtain tax bill payments information?

You can print tax bill payment information from www.cityofboston.gov/assessing. Go to Assessing Online on the menu. Complete the input screen for the particular property you are searching for. When you have accessed the property screen click on **Details** button and then on **Tax Payments**.

What should I do if I recently sold my property, but I am still receiving a tax bill?

If you receive a bill, please forward it to the new owner immediately as it is his/her responsibility to make payment.

Who is responsible for the taxes if a property is sold after January 1?

Although the tax bill will bear the name of the assessed owner as of January 1, the new owner is responsible for all taxes once the sale of the property is finalized. The amount of tax owed by the old owner is determined at the time of closing and is typically deducted from the selling price. Once this deduction is made, the new owner must pay all bills, as they become due in order to avoid collection actions, including foreclosure. The lawyers assisting each party should already have investigated any outstanding taxes and obtained a Municipal Lien Certificate. Once the agreement is made, the new owner is obligated to pay any outstanding taxes due on the property.

I did not receive my tax bill? How do I request a copy of my tax bill?

You can request a duplicate tax bill via the TRAC Contact Form at www.cityofboston.gov/assessing or by calling the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287. Have you ward and parcel number on hand when you call. Duplicate tax bills are sent via regular mail only or may be picked up in person at the TRAC Office.

I'm a new owner; I did not receive my tax bill. How do I obtain my tax bill?

If you are a new property owner and have not received your tax bill from the previous owner, you can request a duplicate tax bill via the TRAC Contact Form at www.cityofboston.gov/assessing or by calling the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287. Have you ward and parcel number on hand when you call. Duplicate tax bills are sent via regular mail only or may be picked up in person at the TRAC Office.

How do I change my tax bill mailing address?

If you have a new address and want your bill mailed there permanently, you can request the Change of Tax Bill Mailing Address Form by calling the TRAC office at 617-635-4287. Fill out the form and return it directly to Assessing Tax Data Administration, Room 301, Boston City Hall, Boston, MA 02201. Also, you can obtain the Change of Tax bill Mailing Address form online at www.cityofboston.gov/assessing. Go to Forms on the menu.

How can I change the tax bill to my name, after purchasing a parcel of property?

New owners at the time of recording your deed should be sure to fill out the Assessing Department card, "Mail Address Change Form" given to you with the Municipal Lien Certificate.

NOTE: You should NOT use a change of address form to change the name on a tax bill, nor should you attempt to inform us of a change by sending a tax bill with the previous owner's name crossed out and the new owners name written in.

The Collecting Division is required by Massachusetts General Law to bill the assessed owner as of January 1, and must issue the bill of the same fiscal year (July 1 to June 30) to the owner as of January 1.

The name will change automatically on the next fiscal year bill. If, after the passage of time, the name still is not changed on the bill, please contact Assessing Department Tax Data Administration unit at (617) 635-3783.

You can change your tax bill mailing address however. Print out the Mail Address Change Form, complete the form and send it directly to Assessing Tax Data Administration, Room 301, Boston City Hall, Boston, MA 02201. Or, you can call the TRAC and request the form at (617) 635-4287.

Municipal Liens

How do I get a municipal lien certificate? How much will it cost and how long does it take? If you wish to obtain a Municipal Lien Certificate, the following are required:

- Ward, parcel, sub-parcel number
- Self-addressed stamped envelope if you wish the municipal lien certificate mailed to you
- Acceptable forms of payment: attorney's check, certified or registered check, and cash (if in person)

Allow ten (10) business days for processing.

Mail to: Collector of Taxes, City of Boston
P.O. Box 9711, Boston, MA 02114
Attn: MLC - Window M-32

Motor Vehicle Excise

What is motor vehicle excise?

Chapter 60A of Mass. General Laws imposes an excise on the privilege of registering a motor vehicle or a trailer in the Commonwealth of Massachusetts. The excise is levied annually in lieu of a tangible personal property tax. Non-registered vehicles, however, remain subject to taxation as personal property.

The excise is levied by the city or town where the vehicle is principally garaged and the revenues become part of the local community treasury.

The Registry of Motor Vehicles prepares data for excise bills according to the information on the motor vehicle registration and sends it to city or town assessors. Cities and towns then prepare bills based on excise data sent by the Registry in conformity with Department of Revenue requirements.

How is the excise determined?

The amount of the excise is based on the value of the motor vehicle that is based upon the manufacturer's list price.

Various percentages of the manufacturer's list price are applied. The formula is as follows:

- In the year preceding the designated year of manufacture (brand new car released before model year) - 50%
- In the designated year of manufacture- 90%
- In the second year - 60%
- In the third year - 40%
- In the fourth year - 25%
- In the fifth and succeeding years -10%

Calculating the excise

Once the value of the vehicle is determined, an excise at the rate of \$25.00 per thousand is assessed. Excises are assessed annually, on a calendar year basis, by the assessors of the city or town in which the vehicle is garaged.

If the motor vehicle is registered after January 31, it is taxed for the period extending from the first day of the month in which it is registered to the end of the calendar year. For example, if a vehicle is registered on April 30, it will be taxable as of April 1, for the nine months of the year (April through December) and the excise due therefore, will be 9/12 of the full excise. In no event shall the excise be assessed for less than \$5.00 nor shall an abatement or refund under Section 1 of Chapter 60A reduce an excise to less than \$5.00.

Who collects the motor vehicle excise?

Local tax collectors are responsible for collecting the motor vehicle and trailer excise. Generally, tax collectors and deputy tax collectors do not accept partial payment of an Excise bill. Taxpayers should be prepared to pay the full amount due. There are no special considerations for financial hardship.

When is payment due?

Payment of the motor vehicle excise is due within 30 days from the date the excise bill is issued (not mailed, as is popularly believed).

NOTE: A person who does not receive a bill is still liable for the excise plus any interest charges accrued. Therefore, it is important to keep the Registry and the US post office informed of a current name and address so that excise bills can be delivered promptly. All owners of motor vehicles must pay an excise tax; therefore, it is the responsibility of the owner to contact the TRAC office if you have not received a bill.

What happens if my payment is late?

If an excise is not paid within 30 days from the issue date, the local tax collector sends a demand. The charge for the demand is \$5. Interest accrues on the overdue bill from the day after the due date until the date of payment at an annual rate of 12 percent.

If the demand is not answered within 14 days, the collector may issue a warrant to the deputy tax collector or an appointed agent. The taxpayer is then additionally liable for a warrant fee of \$5. The warrant notice sent by the deputy collector (or the appointed agent) to the taxpayer costs \$14.

If this notice is not answered than a final warrant, a service warrant, will be delivered or exhibited to the taxpayer at his/her residence or place of business at a fee of \$14. All bills should clearly state the interest and penalty charges.

How does non-payment of motor vehicle excise affect license and registration?

If the service warrant demanding final payment is ignored, the collector may then notify the Registrar of Motor Vehicles of such non-payment, including all accrued interest and penalty fees. The Registrar may then mark the individual's registration preventing the renewal of the motor vehicle registration and the owner's driver's license until such time as the Registrar is notified that full and final payment has been made to the city or town. This payment shall include a \$20 release fee as final settlement of the delinquent excise. Once the bill had been paid, the municipality will give the motorist a receipt so he or she can return to the Registry to register his/her vehicle.

Although the local tax collectors do notify the Registrar that the matter is resolved, it is strongly advised to retain the certified receipt of payment for presentation to the Registry of Motor Vehicles. Cities and towns relay computerized notification that excise bills have been paid only periodically to the Registry.

Under the excise tax law, tax collectors have six years from the issue date of a bill to notify the Registry of non-payment by a driver (M.G.L. c.60A, s2A), unless the tax record shows a history of non-payment. However, under the Registry's own policy, this notification time has been reduced to just two years. If the record does show a history of delinquency, the tax collectors can electronically mark the driver's record and institute proceedings to collect for as many years back (beyond six years, in other words) as necessary and notify the Registry. The Registry, in turn, reviews each notification beyond two years individually. If a taxpayer has had a good history of payment and suddenly receives a bill dating back more than six years, the assessors will assign a tax collector to collect the bill; the tax collector, in turn, will attempt to collect and assess late fees and penalties, as is required by law, if applicable. However, the collector can no longer mark the driver's record for non-payment since the Registry only allows two years for notification from the issue date of the bill. Thus, the taxpayer's ability to renew the license, in this instance, is not hampered; but the bill must still be resolved with the local tax collector.

Can I get motor vehicle excise abatement?

If an owner of a motor vehicle thinks that he/she is entitled to an adjustment of his/her excise bill, it is strongly recommended that he/she:

Pay the bill in full, and then contact the Taxpayer Referral & Assistance Center (TRAC) for an application for abatement. You can print out a **Motor Vehicle Abatement Application Form** at www.cityofboston.gov/assessing. Go to Forms on the menu. Follow the directions on the form and send it to the TRAC office. **NOTE: on unpaid excise tax bills, an owner risks incurring late fees and penalties if an abatement is not granted.**

The TRAC office must receive applications for abatement by December 31 of the year following the year of the tax. If the bill is mailed after December 1 of the year following the tax year, application must be made on or before the 30th day from the date of issue or the date of mailing, whichever is later. Abatements can be handled through the mail; however, the bill should be paid as assessed and a refund will follow if the abatement is granted.

Under what circumstances might motor vehicle excise abatement be warranted?

Abatements can be filed if:

- the owner believes the assessment is incorrect, or
- if the vehicle was traded, or

Everything You've Ever Wanted to Know About Property Taxes

- if the vehicle was stolen, or
- if the vehicle was sold during the year in which it is being taxed and the registration was properly cancelled, or
- if the owner moved from the City of Boston to another city or town, or before January 1
- if the owner moved to another state and registered the vehicle and cancelled the registration in Massachusetts, or
- If the registration is cancelled, it is most important to return the plate(s) to the Registry of Motor Vehicles and to obtain a return plate receipt.

When abatement is granted, excise bills are prorated by the month, thus the owner is responsible for the excise accrued through the month in which the car was last registered to him/her.

What if I've moved out of Boston?

If a motor vehicle owner moves within Massachusetts and has not paid an excise tax for the current year, he/she should:

- File an application with the Taxpayer Referral & Assistance Center (TRAC) office for abatement together with the following:
- Provide TRAC with a copy of the following documentation:
 - proof of garaging prior to January 1 of year of tax bill AND copy of Insurance Policy (Coverage Selection page).
 - You must notify the Registry within 30 days of move.
 - Pay the motor vehicle excise to the city or town in which he/she resided on January 1.

(If the owner moved before the first of the year, he/she must pay the tax to the new community to which the owner moved. If the owner did not notify the Registry, the local assessor, and the post office that he/she moved before the first of the year, it may be necessary to file for an abatement with the former city or town which had sent the excise bill. Most cities or towns will dismiss the bill and reroute it to the new community once the owner furnishes proof that he/she had moved before the first of the year.)

What if I've moved out of Massachusetts?

If the owner of a vehicle moves out of Massachusetts and registers his/her vehicle in another state:

- File an application with the Taxpayer Referral & Assistance Center (TRAC) office for abatement together with the following:
 - Registration Form for the New State or County AND
 - Plate Return Receipt.

Please note: that the Registry strongly encourages a person who has moved to another state to cancel the registration in Massachusetts in order to avoid problems with an excise tax abatement application or future registration in the new state.

What if I sold my car?

If an excise bill is received for a vehicle or trailer that has been sold, the seller must:

- Return the plate(s) to the Registry of Motor Vehicles, obtain a **return plate receipt**.
- File an application with the Taxpayer Referral & Assistance Center (TRAC) office for abatement together with the following:
 - Bill of Sale **AND** Plate Return Receipt receipt the bill of sale OR if plate is transferred a copy of New Registration Form.

You can print out a Motor Vehicle Abatement application at www.cityofboston.gov/assessing. Go to Forms on the menu. The bill will be adjusted to reflect the portion of the year when the recipient of the bill owned the vehicle.

NOTE: It is important to remember that the bill for a vehicle you no longer own should not be ignored.

What if I traded my car?

If an excise bill is received for a vehicle, which was traded, and which was not owned in the calendar year stated on the bill, it is recommended to:

- Pay the bill, and file an application for abatement with the TRAC office.
- Provide a copy of:
 - Purchase Agreement citing vehicle as Trade-in **AND** New Registration Form OR Plate Return Receipt.

You can print out a Motor Vehicle Abatement application from www.cityofboston.gov/assessing. Go to **Forms** on the menu.

If an excise bill is received for a vehicle which was traded but which was owned for a portion of the calendar year stated on the bill, it is necessary to:

- Pay the bill, and provide a copy of the registration for the new vehicle that indicates the date of transfer together with an application for abatement to the TRAC office.

The TRAC can then adjust the bill to reflect the ownership for only part of the year, and grant the proper abatement. The bill is prorated back to the last day of the month in which the vehicle was owned and the excise bill on the new vehicle will be prorated as of the date the new vehicle was registered.

What if my car is stolen?

If the vehicle is stolen and not recovered within 30 days, the owner will be entitled to an abatement if he/she: reports the theft of the vehicle to the local police within 48 hours of discovery of the theft.

- After 30 days, the owner must surrender the certificate of registration and obtain a certificate from the Registry of Motor Vehicles indicating that he/she has done so.
- Notify the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287
- Provide TRAC with a copy of the following documentation:
 - Insurance Company Settlement Letter with VIN# **AND** C-19 form (Affidavit of Lost or Stolen plate) from the Registry of Motor Vehicles **OR** if plate transferred copy of New Registration.

This certificate and the local police report of the theft should be presented to the TRAC office with an application for abatement. You can print out a Motor Vehicle Abatement application from this site. TRAC will adjust the bill and grant abatement for the remaining portion of the year. If the motor vehicle or trailer is subsequently recovered and reregistered, another excise bill will be issued for the remainder of the year. **(Falsely reporting the theft of a motor vehicle or trailer will result in severe penalties and a person may be charged up to three times the excise due on the vehicle for an entire year).**

Am I eligible for any exemptions?

The City of Boston has accepted Chapter 6GA, Section 1 of the Massachusetts General Laws that provides excise tax exemptions for vehicles owned by certain disabled individuals and veterans, ex-prisoners of war and their surviving spouses and certain charitable organizations. Please contact the Taxpayer Referral & Assistance Center (TRAC) for further details on eligibility.

For more information about motor vehicle excise.

Questions about your motor vehicle excise should be directed to the Taxpayer Referral & Assistance Center. It is best to put all questions in writing and to request a written response so that procedures are clearly defined should additional difficulties arise. You can contact the TRAC at www.cityofboston.gov/assessing.

Personal Property

Most people know that property tax applies to real estate; however, some may not know that the property tax also applies to personal property. In fact, all personal property in the Commonwealth of Massachusetts, wherever located, is subject to taxation unless expressly exempted by law. Most personal property owned by individuals is exempt. For example, intangible property such as money, stocks, and securities is exempt. Also, household effects at your primary domicile; furniture, fixtures, clothing, etc., tools of a mechanic's trade, and farm utensils, are exempt. However, property used by most businesses is subject to local property tax. Business exemptions are applied based on the type of business ownership, nature of the property, or in some places, like Boston, total assessed value.

What are personal property taxes?

Personal Property consists of any tangible assets owned by an individual, a business, or an organization which are not real estate and which are not permanently affixed to a particular building. It includes, but is not limited to:

- Office furniture & fixtures, such as; desks, chairs, file cabinets, lamps, & artwork.
- Office equipment such as; computers, printers, telephones & fax machines.
- Store fixtures and equipments, such as; shelving, tables, ovens & signs.
- Machinery & equipment of all kinds, including construction equipment.
- Stock in trade or merchandise.
- Leased property (should be reported by both the lessor and the lessee)

Property that is not real estate is personal property and must be reported.

What property is taxable?

Tangible (that is, physical) property is subject to the personal property tax unless exempted by statute. Items defined as tangible personal property range from the chairs in a barbershop to the furnishings of a doctor's waiting room; from the drills used by a dentist to the poles owed by a utility.

Properties Owned by Business Corporations

For business corporations, poles, underground conduits, wires, pipes (property generally owned by utility companies) and machinery used in the conduct of business are taxable.

Taxable examples of ***machinery used in the conduct of business*** would include property used on behalf of that corporation's customers (e. g., using computers and equipment to process data on behalf of clients).

Manufacturing Corporations (Domestic and Foreign)

The Commissioner of Revenue for the Commonwealth determines what is a manufacturing corporation. Machinery of a manufacturing corporation (domestic or foreign) is not subject to personal property taxation; however, poles, underground conduits, wires and pipes of manufacturing corporations are taxable.

All Other Business Corporations

Other business corporations such as insurance companies, public service corporations, utilities, savings banks and cooperative banks are subject to taxation on poles, underground conduits, wires and pipes, as well as machinery used in the manufacture or in the supply or distribution of water.

What exemptions are available on personal property?

- Professional tools used by plumbers, carpenters, auto mechanics and other trades are exempt. Professional tools used by plumbers, carpenters, auto mechanics and other trades are exempt from the personal property tax. This exemption covers tools of trade, (e.g., small tools that can fit in a toolbox).
- Property can not be taxed twice. Property taxed under the corporate excise tax or motor vehicle excise tax, boat excise tax, farm animal excise tax, or mobile home park license fees, can not be taxed as business personal property.
- Intangible personal property is exempt from local taxation in Massachusetts. . Intangible property includes stocks, bonds, cash, mortgages and other evidence of ownership of property rights.
- In the City of Boston, small business accounts with a total assessed value of \$10,000 or less are granted an exemption, the maximum allowed by law.
- For corporations, machinery used directly in the purchasing, selling or administrative function, such as cash registers and typewriters, are exempt.
- Corporate-owned computers are exempt only when used exclusively for internal purposes such as processing payroll or ordering office supplies. Computers used in providing a service to clients are taxable.
- Machinery of corporations used in connection with the laundering or dry cleaning process, the refrigeration of goods, or air conditioning of the premises, is exempt.
- Fishing boats, nets & gear – up to \$10,000 in value – owned and used in a commercial fishing business is exempted.

In general, all tangible personal property located in Massachusetts is taxable unless expressly exempt.

Where is personal property assessed?

Generally, all tangible personal property is assessed in the city or town in which the personal property is situated as of January 1. The principal exception is in situations where personal property has only a temporary location as of January 1. In the latter case, the property is assessed at the residence of the owner.

What is the correct form to file?

- Individuals, partnerships, associations, trusts and corporations, limited liability companies and other legal entities that own or hold taxable personal property on January 1 of each year must file a Form of List on State Tax Form 2.
- Individuals owning or holding household furnishings and effects not located at their domicile on January 1 must also file State Tax Form 2HF.

- Literary, temperance, benevolent, charitable or scientific organizations that may be entitled to an exemption from personal property tax must file State Tax Form 3ABC annually. First time filers must also file State Tax Form 1B3. Charitable or non-profit organizations that do not file these forms will be subject to taxation [M.G.L. chapter 59 §5 clause 3 (b)].

What if I do not file a personal property tax form?

Failure to file a personal property return will;

1. result in an estimated assessment, and
2. could result in a 50% penalty on any abatement you might otherwise be entitled to, as well as the loss of the right to appeal your valuation to the Appellate Tax Board.

What is the Form of List?

Each year, by March 1, all persons subject to taxation in a city or town must submit a list of all their personal property that is not exempt from taxation. These personal estate items must be included on the documentation known as the Form of List. Blank Forms of List are available at the Assessing Department, Personal Property Unit, Room 301, Boston City Hall, Boston, MA 02201 or by calling (617) 635-1165.

Forms of List are also available at the Taxpayer Referral & Assistance Center, Room M5, mezzanine level of Boston City Hall or on-line at: www.cityofboston.gov/assessing.

Taxpayers are not required to estimate the value of the property included on the Form of List. The Assessing Department will determine the valuation, based on standard reference tables. In the event that a taxpayer does not submit the list, the assessor will ascertain as best he can the personal estate belonging to the taxpayer and will estimate its value. NOTE: The Form of List is NOT open to public inspection.

Is there penalty for not filing a Form of List?

There is a penalty for failing to file the Form of List pursuant to Massachusetts General Law's c. 59, §64. A personal property taxpayer's application for abatement may not be granted unless the taxpayer can show good cause for failure to file timely. Further, if the assessment of the personal estate exceeds by 50% the amount which would have been assessed had the list been timely filed, then only the amount which exceeds this 50% may be abated.

Information Requests

The Assessing Department may require an owner or lessee of personal property to provide certain information in writing, as may be reasonably necessary, to determine the actual fair cash valuation of the property. Failure to comply with the request within thirty (30) days will bar any appeal of the tax assessed, unless the owner or lessee was unable to comply with the request for reasons beyond his or her control. Any false statement that is knowingly made will also bar the taxpayer from any statutory appeal.

Can business personal property tax be abated?

Applications for abatement must be filed after the Third Quarter Tax bill is issued and no later than by February 1. You can print out a Personal Property Abatement Application at www.cityofboston.gov/assessing. Go to FORMS on the menu.

Applications may also be obtained at the Taxpayer Referral & Assistance Center (TRAC) in Room M5 of City Hall. Return it to: City of Boston, Assessing Department, Personal Property, P. O. Box 9712, Boston, MA 02114.

Property Identification, Property Taxes

What is a Ward and Parcel?

The ward and parcel is a unique identifier assigned to each individual property in the City of Boston. The ward number is the location of the property in each neighborhood of the City. (For example, Ward 01 represents East Boston). The parcel number is the identifying number of each individual property. (For example, 0001-000 would be a parcel number).

What are property taxes?

The major source of revenue for the 351 cities and towns in Massachusetts is the property tax.

The property tax is an "ad valorem" (based on value) tax. The tax is apportioned to individual properties based on the value of the property. In Massachusetts, estimates of value are called assessments. The assessments of a large number of parcels for property tax purposes constitutes a highly specialized field of appraisal. In Massachusetts, the property tax is assessed on real and personal property to the person who is owner on January 1.

FY Tax Rates

How is the tax rate determined?

The tax rate for residential property is determined by taking the residential share of the property tax levy (the amount of the total tax dollars to be paid by residential owners) and dividing that amount by the total assessed value of all residential properties. The same procedure is also used to determine the tax rate for commercial/industrial and personal property owners.

Prior to the Classification Amendment of 1978, there was just one tax for all properties. Classification allows for the shifting of a portion of the tax burden of residential property onto commercial/industrial and personal property.

Classification

What is Classification?

In 1978 the citizens of the Commonwealth of Massachusetts adopted a Constitutional amendment authorizing the General Court to classify real property into as many as four classes (residential, open space, commercial and industrial) and to tax such classes differently. The Department of Revenue supervises the implementation of property classification. In Boston, the determination to allocate the tax burden by class is made annually by the City Council, with the approval of the Mayor.

What are the classes of property?

Assessors in Massachusetts assign all real property according to its use. The four classes are:

Residential, Open Space, Commercial and Industrial. Personal Property constitutes a separate class. (See "What is personal Property?")

Residential

Includes all property containing one or more units used for human habitation. The class includes accessory land and buildings (e.g. pools, garages etc.) Single Family homes as well as apartment buildings are in this category.

Open Space

Includes land maintained in an open or natural condition that contributes to the benefit and enjoyment of the public. Such land cannot be held for the production of income.

Commercial

Includes any property held for the purpose of conducting a business (e.g. office buildings, retail stores etc.)

Industrial

Includes any property involved in manufacturing, processing or extraction. It includes utility real property used for storage and generation. **Not all parcels of real property fall into the four classes. Some property has mixed residential/commercial use.**

Proposition 2½

What is Proposition 2 1/2? How does it limit property taxes?

Proposition 2½ is the initiative petition adopted by voters of the Commonwealth of Massachusetts in 1980.

Its principal features relate to the total amount of property taxes which a city or town can raise each year. Other parts of the initiative limit state agency assessments on cities and towns, prohibit unfunded state mandates, and repeal school committee fiscal autonomy and binding arbitration for certain public employees. In addition, it reduces the motor vehicle excise tax and allows renters a deduction on their state income tax.

Proposition 2½ contains two limitations on the amount of property taxes a city or town can raise:

1. The property tax levy (the amount raised) can never exceed 2½% of the full cash value of all taxable property in the city or town. This is known as the "levy ceiling."
2. The property tax levy cannot increase from year to year by more than 2½%, with certain exceptions for new growth, or through overrides and exclusions as adopted by the voters. This is known as the "levy limit."

How does Proposition 2½ affect my tax bill?

The levy limit provision of Proposition 2½ affects the total amount of taxes to be raised by a city or town. It does not apply to an individual tax bill.

How does classification work with Proposition 2½?

The Classification amendment, allows cities and towns to categorize real estate into four classes and to distribute the tax burden among these classes. Proposition 2½ affects the total amount of tax that can be raised. Classification affects what classes of taxpayers will pay for what specific share of the total amount of tax.

How does Proposition 2½ affect the tax rate?

Proposition 2½ sets the maximum amount of property taxes (the levy) that a city/town can raise. Once the amount to be raised is determined, a tax rate is calculated by dividing the amount to be raised by the total valuation of the city/town. Whether the tax rate for a community will increase or decrease from the prior year will depend upon the levy decided and whether the property values appreciate, depreciate or remain steady in a particular community.

Assessed Values

How are values determined?

The Assessor determines the market value of every parcel of property in a city or town as of each January 1. There are three approaches to value: market, income and cost.

Market Approach

Market sales of similar properties that sold in the year prior to January 1 are analyzed, compared and adjusted to forecast what the property would sell for on January. Most residential property is valued by the market approach.

Income Approach

The income approach is applicable to real estate that is normally bought and sold on the basis of its income-producing capacity. The approach requires significant data such as rents, occupancy rates, operating expenses, and investor requirements. The approach is most useful in valuing investment property where sufficient market sales are not available.

Cost Approach

The cost approach involves an estimate of the current reproduction or replacement cost of the building, deducting an estimate of depreciation (or loss of value from any cause) and then adding an estimated value of land. The cost approach is most applicable to special-purpose properties that are not readily sold or rented.

ABATEMENT

What is abatement?

Abatement is a reduction of property tax. It may be based on a reduction in the assessed value of taxable property, or a parcel may be exempted completely from the property tax based on use (a church, for example). A taxpayer must apply for abatement for each specific year in which there is a dispute. An application cannot be filed on taxes from previous years.

Abatement applications must be filed after the Third Quarter tax bill is issued and no later than February 1 (except when February 1 falls on a weekend).

What are the requirements for abatement of real property taxes?

A taxpayer may contest his or her tax liability on specific grounds:

Overvaluation - the assessed value is too high

Disproportionate Assessment -(pertains to entire property classes, not any individual unit or development)

Improper Classification - for instance, a property is classified as commercial land when it is actually residential land

Statutory Exemption - the property is exempt from taxation based on use.

What are the procedures for filing abatement?

What are the procedures for filing abatement? Application forms are available at the Assessing Department, Room 301 City Hall. Office hours are Monday - Friday, from 9 AM until 5 PM and at the Taxpayer Referral & Assistance Center, Mezzanine floor, City Hall. You can also print out an Abatement Application at www.cityofboston.gov/assessing. Go to FORMS on the menu.

The application for abatement must be filed after the Third Quarter fiscal year tax bill and no later than February 1. The application must be filed with the Assessing Department, prior to the close of business (5 PM). If you mail in an application, you are strongly urged to allow sufficient time for the application to reach the Assessing Department before the filing deadline. No abatement can be granted unless the application is filed on time.

Do I have to pay the taxes due if I apply for abatement?

To avoid interest charges, the full tax due must be paid by the due date (February 1, unless that day falls on a weekend). Interest will be due if the payment is received late.

If the total tax on real estate is over \$3,000, the tax must be paid by the date due in order to maintain the right to appeal an abatement decision of the Assessing Department. Appeals are made to the Commonwealth of Massachusetts Appellate Tax Board, an independent administrative board under the direction of the state government. Failure to pay in a timely manner jeopardizes your right to appeal.

There are procedures available, through the Appellate Tax Board, which may allow a taxpayer to extend the time for payment of the balance of the tax due. There is also an alternative, three-year average, method of payment. A taxpayer should seek professional advice before utilizing these options. The use of these alternatives does not halt the tax collection process. Any unpaid balance will accrue interest and fees.

What information will be requested when I file an abatement application?

The Assessing Department is authorized by law to request information that is necessary to properly determine the fair cash value of the property. To preserve your right to appeal an abatement decision, you must complete and return an Information Requisition form. The failure to provide the information requested on the form within thirty (30) days of the date on which the application for abatement was filed, will result in a denial of the application and may bar an appeal to the Appellate Tax Board.

What actions are involved in the abatement process?

The Assessing Department attempts to process all abatement applications within three (3) months of filing. You will be informed of the status of the application through the following notices:

Notice of Approval - The Assessing Department will abate the amount specified in the notice. If the tax has been paid, the City will reimburse the taxpayer, with interest. Note: Interest must be requested in writing; reimbursement of interest is not automatic.

Notice of Denial - No abatement will be granted. A denial will be issued in cases where the Assessing Department has made a decision based on the merits of the abatement application, failure of the applicant to file an Information Requisition, or for reasons of inaction in cases where the department has not made a determination on an abatement application within three (3) months of its filing date.

Can I appeal the decision on abatement by the Assessing Department?

If you are dissatisfied with the decision of the Assessing Department, you may file an appeal to the Appellate Tax Board. It is located at 100 Cambridge Street, 2nd Floor, Suite 200, Boston, MA 02114. The telephone number is (617) 727-3100.

You may elect to file an appeal to the Appellate Tax Board if:

- you are dissatisfied with the amount of abatement granted.
- you disagree with the decision of the Assessing Department to deny the abatement application, including denial for reason of inaction by the Assessing Department.
- you have agreed to an abatement recommendation by the assessor, but have not received an approval notice from the Commissioner of Assessing; or
- you have not received an abatement certificate, or an abatement refund, on or before your appeal deadline.

The proper forms for an appeal can be obtained at the Appellate Tax Board. An appeal to the Appellate Tax Board must be filed within three (3) months of the date on which the Assessing Department made its decision to grant, or deny, an abatement - for any reason, including inaction.

Where can I obtain more information about abatements?

For further information about applications and filing deadlines, contact the Taxpayer Referral & Assistance Center (TRAC) at www.cityofboston.gov/assessing for information on "Abatement Procedures."

RESIDENTIAL EXEMPTION

Who may apply for Residential Exemption?

A taxpayer who owns and occupies residential property as his or her principal residence as of January 1 may apply for a Residential Exemption for the following fiscal year.

A principal residence is one in which the taxpayer lives and which is used as a permanent home and legal residence. An individual owner may qualify for a residential exemption on only one property.

When must an application be filed?

The Residential Exemption appears on the FY -Third Quarter tax bill. Owners who do not receive a credit on this bill - and believe they may be entitled to a Residential Exemption - must file an application for a Residential Exemption with the Assessing Department, within three (3) months of the mailing date of the FY -Third Quarter tax bill (late March).

How do I apply?

Application forms are available at the Taxpayer Referral & Assistance Center (TRAC), Room M5, City Hall. The TRAC is open Monday through Friday from 9am - 5pm. You may call (617-635-4287) to have an application sent to you.

NOTE: Applicants MUST provide their social security # on their application.

For the purpose of this exemption, the principal residence is the address from which your Massachusetts income tax return is filed. To verify eligibility, your Social Security Number is required for identification purposes. The information is kept confidential and is used solely to confirm a prior year personal income tax filing from your address with the Commonwealth of MA Department of Revenue.

For further information on ownership and residency requirements, call the TRAC at (617) 635-4287.

May other exemptions apply?

The Residential Exemption is granted in addition to any other personal exemption to which a taxpayer may be entitled. However, no parcel of real estate may be assessed for less than ten percent of its fair cash value. **(There is an exception for certain persons with physical infirmities and financial hardship.**

Compliance with requirements

The Assessing Department conducts periodic reviews to ensure that only those owners who actually occupy their property as their principal residence receive the exemption. Owners who do not comply with the requirements of the residential exemption - or who fail to respond - will lose the exemption benefit.

Residential Exemption Review Process

The Taxpayer Referral & Assistance Center (TRAC) has three (3) months from the date on which the application was filed to determine the merits of the application.

The filing of an application does not mean that you can postpone the payment of your tax. The tax appearing on each of the quarterly tax bills must be paid in full. If the application for Residential Exemption is subsequently approved, the Office of the Collector-Treasurer will issue a credit later in the fiscal year.

Appeal of Decision

If the application is denied, the taxpayer may file an appeal to the Commonwealth of Massachusetts Appellate Tax Board (ATB) within three (3) months of the date on which the TRAC made its decision. The ATB is located at, 100 Cambridge Street, 2nd floor, Suite 200, Boston, MA 02108. The telephone number is (617) 727-3100.

PERSONAL EXEMPTION

What is a personal exemption?

An exemption is a release from the obligation of having to pay taxes on all or a part of a parcel of real property. Personal exemptions are a reduction in taxes due to a particular personal circumstance and qualifications set forth in the Massachusetts General Laws. The burden is on the taxpayer to show that he or she falls within the expressed terms of the exemption provision.

Personal exemptions must be filed no later than December fifteenth of each year or three months after the mailing of the Third Quarter tax bill, whichever is later.

Exemptions are granted for one year only. An application must be filed each year.

What persons are eligible for a personal exemption?

Full or partial exemptions are provided in the General Laws for the following eligible persons:

- Surviving Spouse (Widow/Widower), Minor Child of a Deceased Parent, Elderly - Clause 17D
- Blind - Clause 37A
- Veterans - Service Connected Disability Clause 22C
- Elderly - Clause 41C
- Hardship - Clause 18
- Tax Deferral - 41A
- Tax Deferral - 18A

How do I apply for personal exemptions?

Taxpayers have until March 31 to file a personal exemption application with the Taxpayer Referral & Assistance Center (TRAC).

Taxpayers must pay the full amount indicated on the Third Quarter tax bill by the due date even if they have an application pending.

If the taxpayer application is subsequently approved, the amount of the exemption will be credited to their Fourth Quarter FY tax bill. **NOTE: A taxpayer may not receive more than one of these exemptions. If however, taxpayers qualify for two of these exemptions, the Taxpayer Referral & Assistance Center will make sure they receive the exemption that saves them the most money.**

Surviving Spouse Exemption

What is the Surviving Spouse exemption?

The Surviving Spouse, Minor Child of Deceased Parent, Elderly exemption 17D* provides assistance to surviving spouses, minor children of a deceased parent, and elderly taxpayers who meet the age, whole estate and residency requirements below. Please Note: if you are elderly and have a limited income, you may be eligible for a greater amount of assistance under elderly exemption 41C or a tax deferral arrangement under deferral 41A.

What is the Surviving Spouse exemption amount?

Taxpayers who are eligible for personal exemption 17D will receive a reduction in their tax liability. In addition, the City of Boston has elected to provide additional relief, provided that the additional amount does not:

1. reduce your final tax bill below the amount of tax you owed in the previous year; and
2. reduce the taxable value of your property below 10 percent of the assessed value.

How do I apply for the Surviving Spouse exemption?

Applications must be filed with the Assessing Department/ Taxpayer Referral & Assistance Center (TRAC) within three months of the mailing of the Third Quarter tax bill.

Renewals: If you were granted an exemption last year, the Taxpayer Referral & Assistance Center (TRAC) will send you a renewal application. However, it is your responsibility to ensure that a renewal is filed each year.

New Applications: If you think that you qualify, notify the TRAC at (617) 635-4287. Supporting documentation, including a birth certificate and all other materials that will help the Board of Assessors make a determination, will be requested. (The filing of an application does not mean you can postpone the payment of your tax).

Requirements

A COPY OF THE TRUST AND A NOTARIZED COPY OF SCHEDULE OF BENEFICIARIES IS NECESSARY TO PROCESS THE APPLICATION.

- *Owned AND occupied the property as of July 1 of the tax year; Surviving spouse as of July 1 of the tax year; OR
- Minor child of a deceased parent as of July 1 of the tax year; OR
- Reached the age of 70 as of July 1 of the tax year and have owned the property at least 5 years;
- A whole estate, excluding the value of the property, * NOT exceeding \$ 40, 000. (* Residential properties containing four OR more units OR commercial units will have a portion of the value of these units included in the whole estate calculation).

*Ownership

1. A qualified applicant must possess a sufficient ownership interest in the domicile. To satisfy this ownership requirement, the person's interest must be worth at least \$2000. The person may own this interest solely, as a joint owner or as tenant in common.
2. The holder of life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he / she :
 - Is a trustee OR co - trustee of that trust, AND
 - Possesses a sufficient beneficial interest in the domicile through that trust.

Blind Exemption

What is the Blind exemption?

The Blind exemption 37A* provides assistance to taxpayers who are legally blind and meet the requirements below.

What is the Blind exemption amount?

Taxpayers who are eligible for personal exemption 37A will receive a reduction in their tax liability of \$500. In addition, the City of Boston has elected to provide additional relief of up to \$500, provided that the additional amount does not:

1. reduce your final tax bill below the amount of tax you owed in the previous year; and
2. reduce the taxable value of your property below 10 percent of the assessed value.

How do I apply for the Blind exemption?

Application must be filed with the Assessing Department/ Taxpayer Referral & Assistance Center (TRAC) within three months of the mailing of the tax bill issued in late December.

Renewals: If you were granted an exemption last year, the TRAC will send you a renewal application. However, it is your responsibility to ensure that a renewal is filed each year.

New Applications: If you think that you qualify, notify the TRAC at (617) 635-4287. Supporting documentation, including certification from the Massachusetts Division of the Blind and all other materials that help the Board of Assessors make a determination will be requested. (As a reminder, the filing of an application does not mean you can postpone the payment of your tax.)

Requirements

- Declared legally blind as of July 1 of the tax year.
- Applicant must be registered with and obtain a certificate from the Massachusetts Division of the Blind as of July 1, or present a letter from their physician stating that the applicant was legally blind as of July 1 of the tax year
- Owned* and occupied the property as of July 1 of the tax year.

***OWNERSHIP**

1. A qualified candidate must possess a sufficient interest in the domicile. To satisfy this ownership requirement, the blind person's interest must be worth at least \$5000. The person may own this interest solely, as a joint owner or as tenant in common.
2. The holder of life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he/she:
 - Is a trustee OR co - trustee of that trust, AND
 - Possesses a sufficient beneficial interest in the domicile through that trust.

A COPY OF THE TRUST AND A NOTARIZED COPY OF SCHEDULE OF BENEFICIARIES IS NECESSARY TO PROCESS THE APPLICATION.

Veterans Exemption

What is the Veterans exemption?

The veterans exemption 22* provides assistance to veterans who meet the disability and residency requirements listed. Please note that if you are an elderly veteran and have a limited income, you may be eligible for a greater amount of assistance under personal exemption 41C.

What is the Veterans exemption amount?

Taxpayers who are eligible for veterans exemption 22* will receive a reduction in their tax liability of between \$250 and \$875, depending on the nature of their disability. In addition, the City of Boston has elected to provide additional relief of up to twice the amount, provided that the additional amount does not:

1. reduce your final tax bill below the amount of tax you owed in the previous year; and
2. reduce the taxable value of your property below 10 percent of the assessed value.

Paralegic veterans with service-connected disabilities will be exempted from their tax liabilities.

How do I apply for the Veterans exemption?

Application must be filled out with the Assessing Department/Tax Referral & Assistance Center (TRAC) within three months of the mailing of the Third Quarter tax bill.

Renewals: If you were granted an exemption last year, the TRAC will send you a renewal application. However, it is your responsibility to ensure that a renewal is filed each year.

New Applications: If you think that you qualify, notify the TRAC at (617) 635-4287. Supporting documentation, including a disability certificate from the Veterans Administration and all other materials which will help the Board of Assessors make a determination, will be requested.

(The filing of an application does not mean you can postpone the payment of your tax).

Requirements:

- *Owned and occupied the property as of July 1 of the tax year.

A COPY OF THE TRUST AND A NOTARIZED COPY OF SCHEDULE OF BENEFICIARIES IS NECESSARY TO PROCESS THE APPLICATION.

*OWNERSHIP

1. A qualified applicant must possess a sufficient ownership interest in the domicile. To satisfy this ownership requirement, the person's interest must be worth at least \$2000. The person may own this interest solely, as a joint owner or as tenant in common.
2. The holder of life estate satisfies the ownership requirement.
3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he/she:
 - Is a trustee OR co - trustee of that trust, AND
 - Possesses a sufficient beneficial interest in the domicile through that trust.

- **Domiciled in Massachusetts 6 months prior to entering the service, or
**Domicile - the Veteran must occupy the property as his or her domicile on July 1 of the tax year.
- Massachusetts resident at least five (5) consecutive years after discharge prior to the filing for exemption.
- Veteran, spouse of a veteran or surviving spouse of a veteran who remains unmarried, with a service-connected disability of at least 10 percent, as certified by the Veterans Administration contact office, or
- Veteran, or a surviving spouse of a veteran who remains unmarried, who was awarded the Purple Heart, or
- Parent of a veteran who lost their life during wartime, or
- Surviving spouse of a WW1 veteran who resided in Massachusetts for the past five years and whose whole estate does not exceed \$20,000;

Elderly Exemption

What is the Elderly exemption?

The elderly exemption 41C* provides assistance to elderly taxpayers who meet the age, income, whole estate and residency requirements below. Please note that if you are an elderly but do not meet one or all of the personal exemption 41C requirements, you may be eligible for a lesser amount of assistance under personal exemption 17D or a deferral arrangement.

What is the Elderly exemption amount?

Taxpayers who are eligible for personal exemption 41C will receive a reduction in their tax liability of \$500. In addition, the City of Boston has elected to provide additional relief of up to \$500, provided that the additional amount does not:

1. reduce your final tax bill below the amount of tax you owed in the previous year; and
2. reduce the taxable value of your property below 10 percent of the assessed value.

How do I apply for the Elderly exemption?

Application must be filed with the Assessing Department/Taxpayer Referral & Assistance Center (TRAC) within three months of the mailing of the third quarter tax bill issued in late December.

Renewals: If you were granted an exemption last year, the TRAC will send you a renewal application. However, it is your responsibility to ensure that a renewal is filed each year.

New Applications: If you think that you qualify, notify the TRAC at (617) 635-4287. Supporting documentation, including a birth certificate and all other materials that will help the Board of Assessors make a determination, will be requested.

(The filing of an application does not mean you can postpone the payment of your tax).

Requirements:

- Reached the age of 65 as of July 1 of the tax year
- *Owned AND occupied the property as of July 1 of the tax year;

A COPY OF THE TRUST AND A NOTARIZED COPY OF SCHEDULE OF BENEFICIARIES IS NECESSARY TO PROCESS THE APPLICATION.

***Ownership**

1. A qualified applicant must possess a sufficient ownership interest in the domicile. To satisfy this ownership requirement, the person's interest must be worth at least \$4000. The person may own this interest solely, as a joint owner as of tenant in common.
 2. The holder of life estate satisfies the ownership requirement.
 3. If the domicile is held in a trust, a person can only satisfy the ownership interest if he/she :
 - Is a trustee OR co - trustee of that trust, AND
 - Possesses a sufficient beneficial interest in the domicile through that trust.
- Occupied any real property in Massachusetts at least 5 years; OR a surviving spouse who has inherited the property and occupied it for at least 5 years;
 - A surviving spouse who has inherited the property and occupied it for at least 5 years;
 - Resided in Massachusetts for the past 10 years;
 - A gross income (FY 2008) NOT exceeding :
\$ 20,000.00 +
\$ 3,841.00 (SSI Allowance) = \$ 23,841.00 (IF single), OR

\$ 30,000.00 +
\$ 5,762.00 (SSI Allowance) = \$ 35,762.00 (IF married);
 - A whole estate, excluding the value OF the property, * NOT exceeding :
\$ 40,000 IF single
\$ 55,000 IF married.

** Residential properties containing more than four units or commercial units will have a portion of the value of these units included in the whole estate calculation.

Tax Deferral 41A

What is the Tax Deferral 41A?

The tax deferral 41A* option should be considered when a taxpayer's current expenses make the continued ownership of his/her home difficult. However, because of the 4% interest charge applied to the deferred taxes, deferral may be more expensive over time than the payment of the tax. The deferred amount will become a lien on your property. A tax deferral may be used in conjunction with other exemption programs.

How long can taxes be deferred?

The deferred taxes must eventually be repaid when the property is sold, transferred or upon the demise of the owner.

Taxes can be deferred annually until the taxes due including the accrued interest equal 50 percent of the then assessed value of the property. At that time, you can't defer and the taxes due will continue to accrue interest until such time as when the taxes are paid in full.

How do I apply for the Tax Deferral 41A?

Application must be filled out with the Taxpayer Referral & Assistance Center (TRAC) within three months of the mailing of the third quarter tax bill issued in late December.

If you think you qualify, notify the Taxpayer Referral & Assistance Center at (617) 635-4287 after you receive your third quarter tax bill.

Requirements:

- Letter from taxpayer/owner's bank that the bank approves of the deferral filing;
- Owned and occupied the property as of July 1, of the tax year
- Resided in Massachusetts for at least 10 years;
- A gross income not exceeding \$40,000

Tax Deferral 18A

What is Tax Deferral 18A?

The tax deferral option under 18A provides taxpayers the possibility of delaying payment of real estate taxes by those unable to pay them because of poverty OR financial hardship from a change in military service, not including initial enlistment. In order to qualify for an 18A deferral you must meet certain requirements.

Who may apply for Tax Deferral 18A?

Persons may apply for Tax Deferral 18A if it is difficult or impossible to pay their real estate taxes due to poverty OR financial hardship resulting from a change in military status. The change to active military status does not include initial enlistment. The applicant must (i) own the property and occupy it as his domicile, OR (ii) own the property jointly with a spouse AND occupy the property as his domicile. The applicant and the spouse, joint tenant or tenant in common must have been domiciled in the Commonwealth for the preceding 10 years.

What is the Tax Deferral 18A Amount?

Eligibility for 18A deferral is determined by the Board of Assessors. The deferral may be granted provided that the taxpayer has entered into a Tax Deferral and Recovery Agreement with the Board of Assessors for the benefit of the City of Boston.

If the real estate is owned by a person jointly or as a tenant in common with a person not a spouse, the deferral shall not exceed the proportion of total valuation which is the amount of his interest in such property bears to the whole tax due.

Interest will accrue at the rate of eight percent (8%) while the Tax Deferral and Recovery Agreement is in place and at fourteen percent (14%) once the Deferral and Recovery Agreement is terminated.

How do I apply for the Tax Deferral 18A?

Persons may apply for tax deferral 18A with the Board of Assessors on or before December 15 of each year or to which the tax relates, OR within 3 months after the mailing date of the actual tax bill (issued as the third quarter tax bill in late December).

If you think you qualify, contact the Taxpayer Referral & Assistance Center (TRAC), Room M5, Mezzanine, City Hall, Boston, MA 02201 at (617) 635-4287. Supporting documentation is required to assist the Board of Assessors in making a determination of eligibility.

Requirements:

1. Complete, sign and return 18A Tax Deferral Application and Schedule A (all owners or person(s) having a legal interest in the real estate must sign)
2. Federal and State Income Tax Returns, including all schedules.

For the last twelve (12) months:

- a. W-2 or pay stubs, and
 - b. Copy of Social Security or Social Security Disability Benefits Schedule; and
 - c. Pension Distribution Schedule; and
 - d. Unemployment compensation Schedule; and
 - e. Proof of Public Assistance Benefit Amount; and
 - f. Proof of rental income; and
 - g. Bank statements.
3. Monthly, quarterly or yearly statements for any and all IRA's and annuities.
 4. Copy of any and all motor vehicle registration(s).
 5. Letter(s) from a doctor(s) that describe any disability or inability to work, and the duration of the disability.
 6. Name, address, occupation, wages and date of birth of all children.
 7. Proof of change to active military status.

NOTE: there is no income limitations specified for 18A deferral.

Hardship Exemption

What is the Hardship exemption?

The exemption 18* hardship provides assistance to those taxpayers who in the judgment of the Board of Assessors, are unable to fulfill their tax obligations by reason of:

- age
- infirmity, and
- financial condition

What is the exemption amount?

Taxpayers who are eligible for hardship exemption 18 are released from all or a portion of their tax liability, as determined by the Board of Assessors.

How do I apply for the Hardship exemption?

Application must be filled out with the Tax Referral & Assistance Center (TRAC) within three months of the mailing of the third quarter tax bill issued in late December. If you think you qualify, notify the Taxpayer Referral & Assistance Center at (617) 635-4287 after you receive your third quarter tax bill. Supporting medical and financial documentation is required to assist the Board of Assessors in making a determination.

Requirements:

- Documentation of medical hardship;
- Documentation of financial hardship, including:
 - Social Security statement
 - W2 forms
 - Rent receipts
- Documentation of extenuating expenses;
- Owned and occupied the property as of July 1, of the tax year
- Income and asset of adult family member

Elderly Property Tax Volunteer Work-Off Program

The City of Boston is excited to announce the creation of the Elder Volunteer Property Tax Work-Off Program. In partnership with various public departments throughout the City of Boston the goal of the program is to connect qualifying applicants with suitable positions in order to provide limited tax relief to homeowners.

By matching qualified applicants with appropriate volunteer service positions with the City of Boston, applicants can earn up to \$750 per fiscal year off their property tax bill. Positions are available in a variety of departments. All types of skills and experience are needed. Applicants must submit a list of skills they possess as well as a brief job history.

Requirements:

Age	Gross Income Limit	Residency	Property
Applicant must be age 60 or over by July 1 of the tax year for which they are applying.	<p>\$30,000 if you are single \$40,000 if you are married</p> <p>(Gross income derived from all sources including Social Security benefits, pensions, other retirement benefits, annuities, wages, salaries, tips, other compensation, net profit from business or profession, interest and dividends, rent and royalty income, gains from sale or exchange of real estate or other property)</p>	You must own and occupy residential property in Boston for at least three (3) years	<p>You must own and occupy your property as a principal residence. If the property is subject to a trust, you must have legal title (be one of the trustees <u>and</u> a beneficiary)</p> <p>The amount of Tax Work-Off credit for the fiscal year cannot exceed the total tax due for the fiscal year after any other exemptions have been allowed.</p>

Statutory Exemption

Information on Statutory Exemptions

An exemption from local taxation is a privilege allowed by the State legislature. It releases a property owner from the obligation to pay all or a portion of the taxes assessed on a parcel of property. The law places the burden of establishing entitlement to an exemption upon the person or organization seeking an exemption.

What is the Charitable Organization Exemption? (M. G. L Chapter 59, §5 Clause 3)

The law provides for exemption of certain personal and real property of charitable organizations. Not all charitable organizations will qualify for this exemption, and not all real estate of qualified organizations will be eligible for exemption. The term "charitable" is defined in M. G. L Chapter 59, §5 Clause 3 and is further defined in the many Massachusetts court opinions that have been published with respect to this exemption.

Before An Application Can Be Made: The 3ABC Requirement

Even before an organization applies for abatement on the basis of charitable exemption, it must take steps to ensure its eligibility. The "Form 3ABC" must be filed timely with the assessors every year on or before March 1. This form, titled "Return of Property Held for Charitable and Other Purposes" is a state tax form. Its filing is mandatory and cannot be waived by the assessors. If an organization fails to file this form every year, its exemption may be lost, and previously exempt properties may lose their exempt status. The form 3 ABC is not an application for exemption.

Attached to the Form 3 ABC must be a "true copy" of the Form PC-1 that is filed every year with the Public Charities Division of the Attorney General's Office located at One Ashburton Place, Boston, MA 02108. The Form 3 ABC is available in January of each year at Hobbs & Warren, Inc. 11 Beacon Street, Boston, MA 02108, (617) 523-2282.

How is an application made?

An application on an approved form must be filed with the Assessing Department on or before February 1, after the mailing of the third quarter tax bill issued in late December. A separate application must be made for each property.

Supporting documentation, such as the organization's articles of organization, trust, by-laws, deed to the property, and other information about the organization must be submitted with the application. If sufficient information is not submitted with the application, it must be provided within thirty days (30) after filing the application.

An inspection of the property will be made by a member of the Assessing Department staff to verify its use and occupancy.

A request for an exemption determination may also be made prior to the mailing of the third quarter tax bill through the preliminary consideration procedure. Please contact the Assessing Department at (617) 635-4284 for more information.

NOTE: Filing an application does not mean the organization can postpone the payment of the tax. If the total tax on real estate for the fiscal year is more than \$3,000.00, the tax must be timely paid in order to preserve the organization's right to appeal the decision of the assessors. Any amount of tax that is paid late will be subject to interest and collection costs.

Requirements:

1. The organization is a charitable corporation or a Massachusetts charitable trust.
2. The organization has timely filed a 3ABC form (i.e., on or before March 1 preceding the tax year), accompanied by a true copy of the form PC-1.
3. The organization owns and occupies real property for its charitable purposes on July 1 of the tax year. Occupancy may be established as follows:
 - Real property is occupied on July 1 by the organization for its charitable purposes, provided those purposes are regarded as charitable under Massachusetts local taxation law, **or**
 - Real property is occupied on July 1 by other organizations, for their charitable purposes, provided those purposes are regarded as charitable under Massachusetts local taxation law, **or**
 - Real property is purchased by the organization on or before July 1 for the purposes of moving the organization to that site. In this case, the exemption may continue for two years, but if the organization has not moved to the site within that time, the exemption ceases.

Statutory Exemption Application Form

The application form for Statutory Exemption is available at the Assessing Department, Room 301, Boston, MA 02201. For more information, contact by phone or in writing:

Assessing Department, Room 302
Board of Review
City Hall, Boston, MA 02201
(617) 635-4284

What is the Religious Organization Exemption?

(M. G. L Chapter 59, §5 Clause 11) The law provides for exemption from property taxes for houses of worship and parsonages that are owned by, or held in irrevocable trust for the exclusive benefit of, a religious organization. The exemption cannot be extended to any portion of a house of worship that is used for other than religious worship or instruction. The house of worship must be owned and occupied as such on July 1 of the tax year.

How is an application made?

An approved application form must be filed with the Assessing Department on or before February 1, after the mailing of the Third Quarter tax bill issued in late December.

A separate application must be made for each property.

Supporting documentation, such as the organization's articles of organization, trust, by laws, deed to the property and other information about the organization may be submitted with the application. If sufficient information is not submitted with the application, it must be provided within thirty days (30) after filing the application.

An inspection of the property will be made by a member of the Assessing Department staff to verify its use and occupancy.

A request for an exemption determination may also be made prior to the mailing of the Third Quarter tax bill through the preliminary consideration procedure. Please contact the Assessing Department at (617) 635-4284 for more information.

Requirements:

- The property must be owned by, or held in irrevocable trust for the exclusive benefit of, a religious organization.
- The house of worship must be owned and occupied as such on July 1 of the tax year.

If these two requirements are met, the organization may be eligible for a Clause 11 exemption.

NOTE:

1. Filing an application does not mean you can postpone the payment of the tax. Where the total tax on real estate for the fiscal year is more than \$3,000.00 the tax must be timely paid in order to preserve the organization's right to appeal the decision of the assessors. Any amount of tax that is paid late will be subject to interest and collection costs.

2. Some religious organizations have an obligation to file the State's "Return of Property Held for Charitable Purposes" (Form 3ABC), if they occupy the property for charitable rather than religious purposes.

For more information, please contact the Board of Review, Assessing Department, Room 302, City Hall, Boston, MA 02201 (617) 635-4284 or via web at www.cityofboson.gov/assessing.

Assessing Data Resources

Is City of Boston property data available to the public?

Yes, the Assessing Department has property data CD ROM's available for taxpayers who wish to obtain bulk data. The CD ROMS are available in two versions: The LITE version and the FULL version. Call the Assessing Department at 617-635-4991 for more information.

Is City of Boston property map data available to the public?

Yes, the Assessing Department has parcel line mapping data available on CD ROM. Call 617-635-4991 for information.

Property abutter maps and copies of assessor half sheets can be obtained by visiting the Assessing Department Room 301, City Hall. Call 617-635-3742 for further information.

NOTES: