



Boston City Council

Committee on Government Operations

Maureen Feeney, *Chair*

April 13, 2010

Dear Councillors:

The Committee on Government Operations held a hearing to discuss Docket #0307, Petition for a Special Law RE: Clarification of the Effective Date of the Residential Exemption. This matter was sponsored by Council President Michael P. Ross and Councilor John M. Tobin, referred to this Committee on Wednesday, February 12, 2010 and heard at a public hearing on Thursday, April 8, 2010 at which public comment was taken.

Docket #0307 is a home rule petition that would make the residential tax exemption consistent with other personal exemptions allowable under state law. A residential tax exemption is provided for taxpayers who own and occupy a home within the City of Boston. Under current law, a new homeowner who purchases a residential property, for example, on January 2nd must wait a year and a half before being eligible to take the exemption. This ordinance will make the date of determination of a new homeowner's eligibility for the tax exemption the beginning of the fiscal year, which is consistent with other personal exemptions. In effect, this change in the law would shorten the period of time in which a new homeowner could begin to benefit from the residential tax exemption.

At the hearing, the City of Boston's Assessing Department was represented by senior research analyst Matthew Englander and legal counsel Nicholas Ariniello. They testified in support of the home rule petition, answered questions about the tax law, and suggested that an amendment to the legislation should be added to clarify that a taxpayer should be eligible for one (1) residential tax exemption per year.

In light of the public testimony, a proposed revised draft was developed to ensure that taxpayers do not claim the residential tax twice on their tax returns.

By the Chair of the Committee on Government Operations, to which the following was referred:

Docket #0307 **Petition for a Special Law RE: Clarification of the Effective Date of the Residential Exemption**

based on information presented at the hearing and public comment gathered by the Committee and having considered the same, respectfully recommends that this matter ought to pass in a new draft.

Maureen Feeney, *Chair*
Committee on Government Operations

ORIGINAL PROPOSED DRAFT

(NEW DRAFT ATTACHED)

Offered by Council President MICHAEL P. ROSS and Councilor JOHN M. TOBIN, JR.



CITY OF BOSTON
IN CITY COUNCIL

HOME RULE PETITION

WHEREAS, The residential tax exemption makes home ownership more affordable and accessible for many of Boston's residents; and closing dates and purchases of new homes do not always line up neatly with cut-off date for obtaining the exemption, currently set for January 1st; and,

WHEREAS, Each year Boston residents miss the opportunity of receiving their residential tax exemption because they purchase their home after January 1st; and,

WHEREAS, Those residents who purchase their homes between January 2nd and July 1st must currently wait over a year for the exemption to take effect; and

WHEREAS, This loophole causes a considerable disadvantage to those affected and changing the cut off date for new home owners to July 1st would enhance the opportunity for more people to take advantage of the exemption without hurting the overall tax base; NOW,

THEREFORE BE IT ORDERED,
That a petition to the General Court, accompanied by a bill for a special law relating to the City of Boston to be filed with an attested copy of this order be, and hereby is, approved under Clause 1 of Section 8 of Article II, as amended, of the Articles of Amendment to the Constitution of the Commonwealth of Massachusetts, to the end that legislation be adopted precisely as follows, except for clerical or editorial changes of from only:

**PETITION FOR A SPECIAL LAW RE:
CLARIFICATION OF THE EFFECTIVE DATE OF THE RESIDENTIAL EXEMPTION**

SECTION 1.
Chapter 59 of the General Laws, as appearing in the 2001 Official Edition, is hereby amended by replacing the following within Section 5C "...provided, however, that such an exemption shall be applied only to the principal residence of a taxpayer as used by the taxpayer for income tax purposes." with: --

...provided, however, that such an exemption shall be applied only to real property owned and occupied by a taxpayer as his principal residence, as used by said taxpayer for income tax purposes. The date of determination for said exemption shall be the January 1st preceding the start of the fiscal year to which it applied. However, for years in which a principal residence is purchased after January 1st and before July 1st, the date of determination, for the purchase year only, will be July 1st of that year.

SECTION 2. *Implementation.*

This act shall be effective immediately upon passage.

Filed: February 24, 2010

RECEIVED
FEBRUARY 24 2010

MISSISSIPPI
STATE ARCHIVES
300 N. GADSDEN ST.
JACKSON, MISSISSIPPI 39201

FILED

03-04-10

03-04-10

NEW DRAFT

(ORIGINAL DRAFT ATTACHED)

Offered by Council President MICHAEL P. ROSS and Councilor JOHN M. TOBIN, JR.



**CITY OF BOSTON
IN CITY COUNCIL**

HOME RULE PETITION

WHEREAS, The residential tax exemption makes home ownership more affordable and accessible for many of Boston's residents; and closing dates and purchases of new homes do not always line up neatly with cut-off date for obtaining the exemption, currently set for January 1st; and,

WHEREAS, Each year Boston residents miss the opportunity of receiving their residential tax exemption because they purchase their home after January 1st; and,

WHEREAS, Those residents who purchase their homes between January 2nd and July 1st must currently wait over a year for the exemption to take effect; and

WHEREAS, This loophole causes a considerable disadvantage to those affected and changing the cut off date for new home owners to July 1st would enhance the opportunity for more people to take advantage of the exemption without hurting the overall tax base; NOW,

THEREFORE BE IT ORDERED,

That a petition to the General Court, accompanied by a bill for a special law relating to the City of Boston to be filed with an attested copy of this order be, and hereby is, approved under Clause 1 of Section 8 of Article II, as amended, of the Articles of Amendment to the Constitution of the Commonwealth of Massachusetts, to the end that legislation be adopted precisely as follows, except for clerical or editorial changes of from only:

**PETITION FOR A SPECIAL LAW RE:
CLARIFICATION OF THE EFFECTIVE DATE OF THE RESIDENTIAL EXEMPTION**

SECTION 1. Chapter 59 of the General Laws is hereby amended by striking out in section 5C, as appearing in the 2008 Official Edition, "provided, however, that such an exemption shall be applied only to the principal residence of a taxpayer as used by the taxpayer for income tax purposes" and inserting in place thereof:-

“provided, however, that such an exemption shall be applied only to real property owned and occupied by a taxpayer as his principal residence, as used by said taxpayer for income tax purposes. The date of determination for said exemption shall be the January 1st preceding the start of the fiscal year to which it applied. However, for years in which a principal residence is purchased after January 1st and before July 1st, the date of determination, for the purchase year only, will be July 1st of that year. Provided, however, that in no instance shall a taxpayer receive more than one exemption under this section”

SECTION 2. *Implementation.*

This act shall be effective immediately upon passage.

Filed: February 24, 2010