



Boston City Council
Committee on Ways & Means
Mark Ciommo, Chair

December 7, 2010

Dear Councilors:

The Committee on Ways & Means held a hearing on **December 7, 2010** in order to discuss:

Docket #1595 - Message and order authorizing the City to increase the amount of the 41C Elderly Property Tax Exemption that pursuant to Massachusetts General Laws Chapter 59, Section 5 Clause 41C, the City of Boston elects to increase the minimum exemption amount from \$500.00 to \$750.00.

This order was sponsored by Mayor Menino and referred to Committee on December 1, 2010.

Docket #1614 - Order that pursuant to Chapter 40, section 56, the residential factor in the City of Boston for FY2011 shall be the minimum residential factor as determined by the Commissioner of Revenue pursuant to M. G. L., Chapter 58, section 1A, and be it further that pursuant to Chapter 403 of the acts of 2000, a residential exemption in the amount of value equal to thirty percent (30%) of the average assessed value of all Class One-Residential parcels in the City of Boston be, and hereby is approved for Fiscal Year 2011.

This order was sponsored Councilor Ross and referred to Committee on December 1, 2010.

Having considered the information presented and the testimonies heard, the Chair respectfully recommends that these matters ought to pass.

For the Chair:

Mark Ciommo
Committee on Ways & Means



Elderly Exemption Fact Sheet: Increasing Property Tax Relief for Seniors

Docket # 1595, an order relative to the 41C Elderly Property Tax Exemption, exemplifies the City's continued commitment to providing vital assistance to its elderly residents by bringing much needed tax relief to qualifying seniors (65+) in the form of a 50% increase in the annual exemption amount.

What it will do:	Increase the exemption amount from \$500 to \$750.
Who will benefit:	<ul style="list-style-type: none"> • Qualifying seniors (65+) who are particularly burdened by increasing real estate taxes. • 1,038 seniors benefited from this exemption program last year.
Recent changes to the 41C:	In 2004, City Council voted to adopt local option amendment to lower qualifying age from 70 to 65, as well as to lower qualifying income and asset limits.

The purpose of the 41C program has always been to help those elderly homeowners with the greatest need of tax relief. Yet while competing exemption program amounts, with more lenient eligibility criteria, have steadily increased through the years the 41C Elderly Exemption has stayed at \$500. It is critical that the Elderly Exemption amount be increased to \$750 to provide essential tax relief to those seniors who are particularly burdened by increasing property taxes.

To be eligible for the 41C Elderly Exemption, applicants must meet the following criteria for fiscal year 2011:

- 65 years old as of July 1 of the tax year.
- Owned and occupied the property as of July 1 of the tax year.
- Owned and occupied any real property in MA for at least 5 years, or a surviving spouse who has inherited the property and occupied it for at least 5 years.
- Resided in MA for the past 10 years.
- Gross income not exceeding \$24,158 if single, 36,237
- Whole estate not exceeding \$40,000 if single, \$55,000 if married.

CONCLUSION

In 1978, the voters of the City overwhelmingly approved the constitutional amendment creating the classification law. Implementing the minimum residential factor and establishing a residential exemption at 30% of the average assessed residential value will best meet the interests of the citizens of the City.