



Personal Property Tax

Taxpayer Information • www.cityofboston.gov/assessing

**Martin J. Walsh,
Mayor**

City of Boston Assessing Department

Personal
Property Unit
Boston City Hall,
Room 301

(617) 635-1165

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Massachusetts

General Laws

Chapter 59 §29
require that you
return a true list
of all taxable
personal
property located
in the City of
Boston annually
by March 1.

Personal property is subject to taxation, in the same manner as real estate, unless expressly exempted by state law. Most personal property owned by individuals is exempt. Examples such as household effects at your primary domicile, tools of a mechanic's trade, farm implements, money, stocks, and securities are all exempt. However, property used by most businesses is subject to local property tax. Exemptions are applied based on the type of business ownership, nature of the property, or in some cities and towns, like Boston, total assessed value.

State Tax Form 2/Form of List Electronic Filing Requirement

On January 1, 2013, The City of Boston adopted an electronic filing requirement for the submission of all personal property assets. All owners of personal property, except those who demonstrate that electronic filing would present an undue hardship, are required to file electronically. Electronic filing serves to increase the efficiency and accuracy of the filing and review processes as well as significantly reduce the flow of paper.

Personal Property owners have the following filing options: 1) using our online filing website made operational in 2011, or 2) filing in EXCEL by email or mailed data CD. Paper copies of the State Tax Form 2/Form of List will be mailed to those who contact us and demonstrate the aforementioned hardship.

For more information, please visit www.cityofboston.gov/assessing and click on "Personal Property", contact us by phone at (617) 635-1165, or email at personalproperty@boston.gov.

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

All owners of tangible personal property must complete and file annually a State Tax Form 2/Form of List with the assessor in the city in which the property is located. A form must be filed by all individuals, partnerships, associations, trusts, corporations, and limited liability companies, as well as charitable, benevolent, educational, literary, temperance, and scientific organizations, or other legal entities that own or hold personal property in the City of Boston.

Is my small business subject to the personal property tax?

The City of Boston has adopted a "small business exemption" for personal property accounts of less than \$10,000 in assessed value. If you own a small business you still must file a State Tax Form 2/Form of List. If your assessed value is determined to be less than \$10,000 in any year you will receive a full exemption.

What is the correct form to file?

- Individuals, partnerships, associations, trusts, corporations, limited liability companies and other legal entities that own or hold taxable personal property on January 1 of each year must file a State Tax Form 2/Form of List.
- Individuals owning or holding household furnishings and effects not located at their domicile on January 1 must 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 nonprofit organizations that do not file these forms will be subject to taxation (M.G.L. Chapter 59 §5, Clause 3(b)).

NOTE: All tax forms filed with the Assessing Department are NOT open to public inspection.

For More Information:

CALL: the Assessing Department Personal Property Unit at (617) 635-1165.

VISIT: the Personal Property Unit Room 301, City Hall. Office hours are Monday - Friday, 9AM - 5PM.

EMAIL:
personalproperty@boston.gov

LOG ON: for more information and *Frequently Asked Questions* at www.cityofboston.gov/assessing.

The Massachusetts Department of Revenue also has a *Frequently Asked Questions* webpage for personal property at www.mass.gov. Search for 'personal property'.

Electronic Filing:

Online:

<https://assessppof.cityofboston.gov/BostonOnline/>

E-mail or CD:

www.cityofboston.gov/assessing/personalproperty.asp

Simple. Accurate. Efficient.

What is personal property?

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 equipment 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).

Are corporations exempt from the personal property tax?

Generally, the answer is no. Most corporations are subject to the personal property tax on machinery used in the conduct of business as well as on networks of poles, underground conduits, wires and pipes and machinery used in manufacturing or supplying and distributing water.

Corporations classified by the Massachusetts Department of Revenue (DOR) as manufacturers, utilities, or insurance and financial institutions may be entitled to additional specific exemptions. For further information, please refer to "Frequently Asked Questions - Personal Property" on the DOR's website at www.mass.gov.

Is a nonprofit organization subject to the personal property tax?

Not usually, however, nonprofits wishing to receive exemption as a charitable, literary or benevolent organization must file a Form 1B3 with the City Assessor. Once designated a charitable organization by the Assessor, the nonprofit must file a Form 3ABC by March 1 of every year in order to continue the exemption.

What other exemptions are available on personal property?

- Professional tools used by plumbers, carpenters, auto mechanics and other trades are exempt.
- 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, cannot be taxed as business personal property.
- Intangible personal property is exempt from local taxation in Massachusetts.
- In the City of Boston, small business accounts with a total assessed value of less than \$10,000 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, 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 are exempt.

What if I do not file a State Tax Form 2/Form of List?

Failure to file a State Tax Form 2/Form of List will result in an estimated assessment of your personal property. It could also 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.