



Martin J. Walsh, Mayor

Cooperative Housing Residential Tax Exemption

Frequently Asked Questions • City of Boston Assessing Department

The Cooperative Housing Residential Tax Exemption allows cooperative corporations organized under Chapter 157B of the Massachusetts General Laws to seek exemptions on behalf of shareholders who occupy their cooperative unit as their principal residence. The per unit exemption amount may be up to 30% of the average residential value of units of the cooperative corporation on which the exemption is sought. The exemption amount cannot exceed the Residential Exemption amount available to other residential property owners in the City.

Cooperative corporation management, representative, or board of trustees must file with the Assessing Department on or before October 31st of the fiscal year in which the exemption is sought in order to be considered for the Cooperative Housing Residential Tax Exemption. Cooperative shareholders cannot file for individual consideration with the Assessing Department. Qualified shareholders are encouraged to speak directly with their cooperative corporation's management, representative, or board of trustees to ensure that they receive the cooperative exemption.

Frequently Asked Questions

Who qualifies for the Cooperative Housing Residential Tax Exemption?

Only cooperative corporations as defined by section 4 of Chapter 157B shall be eligible to receive exemptions on behalf of their shareholders.

Can cooperative shareholders file for the Cooperative Housing Residential Tax Exemption on an individual basis for their specific unit?

No. By law, only the qualifying cooperative corporation management, representative, or board of trustees may file documentation with the City's Assessing Department in order to obtain an exemption for shareholders.

How will shareholders receive their cooperative exemption?

The cooperative corporation will receive a deduction on their tax bill equal to the sum of all exemptions obtained on qualifying units. The cooperative corporation is obligated to distribute the exemption amount among qualifying shareholders according to their percentage share in the corporation as identified on the stock certificate.

How is the Cooperative Housing Residential Tax Exemption calculated?

The cooperative exemption can equal up to 30% of the average residential value of units of the cooperative corporation that apply for the exemption. That amount may equal but not exceed the amount of the Residential Exemption available to qualified homeowners under MGL Chapter 59, section 5C (\$1,961.58 in Fiscal Year 2016).

How do shareholders determine if they qualify for the Cooperative Housing Residential Tax Exemption?

Shareholders need to have occupied their cooperative housing unit as their primary residence, for income tax purposes, as of January 1 preceding the fiscal year. Shareholders should speak with representatives from their cooperative corporation for more information, as only these corporation representatives are permitted to file for exemptions on behalf of qualifying shareholders.

What information must be submitted to obtain a cooperative exemption on behalf of shareholders?

According to Section 4 of Chapter 145 of the Acts of 2008, the following

documentation must be submitted by the cooperative corporation on or before October 31st of the year in which the exemption is sought:

"(i) proof of all eligible members' status on January 1 of the preceding fiscal year, including, but not limited to, corporate filings under chapter 157B of the General Laws with the state secretary, a statement of shares owned by each member and the date of share acquisition, a statement of share unit representation, and a proprietary lease bearing the names of the cooperative corporation and the member;" and

"(ii) proof that the member occupied the cooperative corporation unit on January 1 of the preceding fiscal year as a primary residence for income tax purposes."

The Assessing Department requires the social security number of those shareholders claiming the exemption to confirm that a personal income tax return was filed from the shareholder's address with the Massachusetts Department of Revenue for the year preceding the year in which the exemption is sought. The City of Boston may also request additional information if necessary to determine exemption eligibility.