



## Assessing Information for Taxpayers FY 2008 3<sup>rd</sup> Quarter Billing and Abatement Period **FREQUENTLY ASKED QUESTIONS**

### **Tax Rate**

#### **What are the Fiscal Year 2008 tax rates?**

The Residential tax rate is **\$10.97** per thousand dollars of value.  
The Commercial, Industrial, and Personal Property rate is **\$25.92** per thousand dollars of value.

### **Residential Exemption**

#### **What is the residential exemption?**

Taxpayers who own and occupy their home as of January 1st of the current tax year can save on their tax bill by having a portion of their bill exempted from taxation. In order to qualify for the residential exemption for Fiscal Year 2008, the homeowner must have occupied the property as the principal residence and been the owner of record as of January 1, 2007.

#### **What is the value of the residential exemption? How much will I save on my tax bill?**

In Fiscal Year 2008, the residential exemption subtracts \$135,695 from the property's assessed value, saving qualified homeowners \$1,488.52 on their tax bill.

#### **How do I know if I am receiving the residential exemption?**

If an amount appears to the right of the box marked "residential exemption" on your tax bill then you are already receiving the residential exemption.

If you are not currently receiving an exemption, you have until **March 31, 2008** to apply. You must pay the full amount of the tax by **February 1, 2008** even if you apply for the residential exemption. If your application is approved, the exemption amount will be credited to your 4<sup>th</sup> quarter bill or refunded to you if you have paid your taxes in full.

#### **I am not receiving a residential exemption but I think I qualify. How do I apply?**

Call the Taxpayer Referral & Assistance Center at (617) 635-4287 OR obtain an application online at: [www.cityofboston.gov/trac](http://www.cityofboston.gov/trac). Massachusetts Laws allows the City to grant a residential exemption on property occupied as the principal legal residence of its owner. This law defines the principal residence as the address from which the Massachusetts income tax return is filed.

To be considered you must provide your social security number on the application. Your social security number is used solely to confirm that a 2006 personal income tax return was filed with the Commonwealth of Massachusetts Department of Revenue from the address indicated on your application.

Return your completed application no later than **Monday March 31, 2008** to:

Assessing Department  
Boston City Hall, Room 301  
Boston, MA 02201

#### **I purchased my property in calendar year 2007.**

##### **When do I qualify for a residential exemption?**

For Fiscal Year 2008, you must own and occupy the property on January 1, 2007 to qualify for the exemption. If you acquired the property after January 1, 2007, you will be eligible in Fiscal Year 2009.

Calendar Year <u>Purchase</u>	Fiscal Year <u>Eligible</u>
2006	2008
2007	2009
2008	2010
2009	2011
2010	2012

**I submitted my residential exemption application, but the residential exemption amount does not appear on my 3rd quarter tax bill.**

**What should I do?**

You should have received a notice from the Assessing Department regarding the status of your application. Residential exemptions not credited on the 3<sup>rd</sup> quarter tax bill will be processed after the February 1<sup>st</sup> payments are posted (usually by mid-February). If your application is approved, the exemption amount will be credited to your 4<sup>th</sup> quarter tax bill or refunded to you if you have paid your taxes in full. If your application is denied, you will receive a letter apprising you of your right to appeal the decision within 3 months.

**Personal Exemptions**

**What are personal exemptions? What types are available?**

Personal exemptions are reductions in property taxes due to a particular personal circumstance. Qualification criterion is outlined in the Massachusetts General Laws.

Personal exemptions are available to qualified homeowners who are:

- Elderly
- Legally blind
- Surviving Spouses or Minor Children of Deceased Parents
- Veterans

Each exemption has certain eligibility requirements (e.g. age, income restrictions). You may not receive more than one personal exemption. If you qualify for two or more exemptions you will receive the exemption that saves you the most money.

**How do I know if I am receiving a personal exemption?**

If an amount appears to the right of the box marked “personal exemption” on your tax bill then you are **already** receiving a personal exemption.

If you are not currently receiving an exemption, you have until **March 31, 2008** to apply. You must pay the full amount of the tax by **February 1, 2008** even if you apply for a personal exemption. If your application is approved, the exemption amount will be credited to your 4<sup>th</sup> quarter tax bill or refunded to you if you have paid your taxes in full.

**I submitted my personal exemption application, but the personal exemption amount does not appear on my 3rd quarter tax bill. What should I do?**

You should have received a notice from the Assessing Department regarding the status of your application. Exemptions not credited on the 3<sup>rd</sup> quarter tax bill will be processed after the February 1<sup>st</sup> payments are posted (usually by mid-February). If your application is approved, the exemption amount will be credited to your 4<sup>th</sup> quarter tax bill or refunded to you if you have paid your taxes in full.

**Tax Policy**

**I am a senior who is having trouble paying my tax bills. What kind of program does the City offer to help me stay in my home?**

The Tax Deferral program allows qualified elderly (65+) homeowners to defer their property taxes at a new 4% interest rate. Mayor Menino and the Boston City Council recently lowered the interest rate from 8% to 4%, effective for Fiscal Year 2008. A tax deferral, which may be considered when a senior’s continued homeownership becomes difficult, must be repaid with interest when the property is sold or upon the death of the owner.

**What has the City done to reduce the tax burden on residential taxpayers?**

Mayor Menino’s classification bill was recently enacted by the Massachusetts legislature, resulting in property tax savings for many homeowners in Fiscal Year 2008. The Mayor’s bill also permanently freezes the business classification factor at 175% (the previous law provided for a business factor of 170%). For Fiscal Year 2008, the legislation will result in a \$142 reduction in the average single family tax bill, a decline of 4.6%. Additionally, the legislation will save residential taxpayers \$124 annually in future years. Without the legislation, residential taxes would have actually increased slightly.

The City also offers a number of exemption programs to reduce the residential taxpayer's financial burden. Homeowners who occupied their home as the primary residence on or before January 1, 2007, will be eligible for the residential exemption. This year's residential exemption will deduct \$1,488.57 from every eligible homeowner's tax bill. Personal exemptions can also offer additional savings to qualified taxpayers.

## **Property Value**

### **How do Assessors determine my property's value?**

State law requires that all property be assessed at its full market value. Recent sales in your neighborhood for properties that are comparable in style, age, size and condition form the basis of your assessment.

### **How often does the City value property?**

Massachusetts law requires each city and town to conduct a complete revaluation of its property every three years, most recently in Fiscal Year 2007. The City makes interim year adjustments based on real estate market trends to ensure that properties are being assessed at their full market value.

In Fiscal Year 2008, the weakening market for residential property has resulted in slightly lower assessments this year. Conversely, the downtown commercial market, particularly for office properties, experienced a surge in value. The result has been an overall increase in value for the business property classes.

## **Tax Bill**

### **I did not receive my 3rd Quarter tax bill, how can I obtain a copy?**

You can obtain a duplicate tax bill by calling the Taxpayer Referral & Assistance Center at 617-635-4287. Be sure to have your ward and parcel ID number ready when you call.

### **Why doesn't my name appear on my tax bill?**

State Law requires the Collector's office to send tax bills to the owner of record as of January 1, 2007, the assessment date. Ownership changes made after that date will be reflected in the next fiscal year starting on July 1, 2008.

If your name doesn't appear on your tax bill and you were the owner of the property prior to January 1, 2007, contact the Assessing Department Tax Data Administration unit at (617) 635-3783.

If you purchased your property after the assessment date you may request that a copy of the tax bill be sent in your care by calling the Taxpayer Referral & Assistance Center at (617) 635-4287.

### **Doesn't Proposition 2½ limit my taxes?**

Proposition 2½ limits the increase in the city's total property tax levy (the amount raised from property taxes) to 2.5% over the previous year's tax levy. However, the provisions of Proposition 2½ apply to the overall tax levy – not to an individual tax bill.

## **Abatement**

### **My property assessment is inaccurate. What can I do?**

Taxpayers who believe that their assessment is incorrect may file an application for abatement. Applications for abatement are available at the Assessing Department, Room 301, City Hall (9 AM – 5PM) or online at: [www.cityofboston.gov/assessing](http://www.cityofboston.gov/assessing). Go to **Forms** on the left menu.

Applications must be filed no later than **Friday, February 1, 2008**. State Law prohibits the Assessing Department from acting on an application that is filed late.

The Fiscal Year 2008 3<sup>rd</sup> quarter tax bill must be paid by **Friday, February 1, 2008** even if an abatement application is filed.

## **Assessing Online**

### **How do I obtain property information online?**

Property information, including property values and new tax rates, is available online at [www.cityofboston.gov/assessing](http://www.cityofboston.gov/assessing). Go to **Assessing On-line** on the left menu.

**Common  
Questions  
Posed to  
Assessors**

**An Assessor never came to my house, how could they increase my assessment?**

By law, the Assessing Department must conduct a revaluation of all property in Boston every three years. This process was conducted most recently in Fiscal Year 2007. During the years between revaluations, property records are updated when building permits are issued or when the property is sold. Assessors, in turn, use this data to arrive at property assessments. Up to date property information makes it possible to determine assessed values without making a property visit.

**I am planning to renovate my property (i.e. new kitchen and baths); will this increase my assessment?**

There are two forms of work done on homes - maintenance and improvements. Maintenance is when property owners replace the roof or do minor repairs to keep the property in roughly the same condition. Maintenance of property does not increase the assessment. Improvements are significant renovations such as new and updated kitchens or bathrooms or an addition is added to the building. Improvements will result in an increase in assessment.