

## FREQUENTLY ASKED QUESTIONS – ASSESSOR’S OFFICE

**Q: What do Assessors do?**

A: Assessors are required by Massachusetts law to value all real and personal property within their community. They value every property, from single-family residences to the largest of commercial and industrial enterprises. They may perform this work with their own staff or they may hire a professional appraisal firm. Increasingly, Assessors use computer software as a tool to maintain values and assist with the multitude of calculations required in their work.

Every five years Assessors must submit these values to the state Department of Revenue for certification. Assessors must also maintain the values in the years between certifications. This is done so that each property taxpayer in the community pays his or her fair share of the cost of local government - no more or less - in proportion to the amount of money the property is worth.

Assessors also have a responsibility for the motor vehicle excise tax bills originated by the State Registry of Motor Vehicles. They update the bills to reflect recent changes (such as non-profit status, bills belonging to other communities, etc.) and then pass them on to the municipal Collector for distribution. Assessors grant abatements and answer any questions regarding excise tax bills.

Assessors, then, have a major role in promoting effective financial management of their communities. By keeping values at the market standard, the Assessors assist in maximizing the resources available to fund the municipal services expected by residents. Property taxes are one of the major sources of funding for the community services enjoyed by the taxpayers - schools for their children, police and fire protection, and the upkeep of municipal roads, including that special New England priority - snowplowing.

**Q: What are not the responsibilities of an Assessor?**

A: Assessors do not make the laws that affect property owners. Tax laws are enacted by the Massachusetts Legislature. Various guidelines and regulations to implement the legislation are established by the Department of Revenue. The Assessors, in short, follow the procedures established by others to set the value of property. Value is actually set by buyers and sellers as they establish the worth of comparable properties through their transactions in the real estate marketplace.

The Assessors also do not determine taxes. The level of property taxation is determined by the municipality itself, through its Town Meeting or Town or City Council. Similarly, the Assessors don't decide who is entitled to relief on their property tax bills through exemptions, rather they follow the state law.

**Q: How do Assessors determine value?**

A: Valuation in Massachusetts is based on "full and fair cash value", the amount a willing buyer would pay a willing seller on the open market. Assessors must collect, record, and analyze a great deal of information about property and market characteristics

in order to estimate the fair market value of all taxable properties in their communities. Properties such as churches and educational institutions are also valued even though they are exempt from taxation.

Assessors first inspect each property to record specific features of the land and building(s) that contribute to its value. Size, type, and quality of construction, number of rooms, baths, fireplaces, type of heating system -- all are examples of the data listed on individual property record cards before the valuation process can begin. Assessors may not have to go inside each property before every revaluation if records are kept up to date and building permits are checked and recorded for changes in individual properties.

Finding the "full and fair cash value" or "market value" of a property involves discovering what similar properties are selling for, what the property would cost today to replace and what financial factors, such as interest rates, may be affecting the real estate market. Valuation techniques for commercial and industrial properties also include analysis from an investment point of view, since the purchase price the buyer is willing to pay depends in part on the return he expects to receive.

The Assessor does not create value. Rather, he has the legal responsibility to discover and reflect the changes that are occurring in the marketplace.

**Q: What is the Assessment?**

**A:** The assessed value (or assessment) is the value of property to be used for local taxation, as determined by the Assessors according to Massachusetts law and regulations set by the Commissioner of Revenue.

**Q: Why do assessments go up when a property hasn't changed?**

**A:** Since assessments must be set at market value, rising real estate values in the community will be reflected in generally higher assessments. All properties, however, do not change in value to exactly the same degree. Many factors influence values and the value of some properties - those with water or mountain views, for example - may well increase more rapidly than others.

**Q: What if you disagree with the assessed value of your property?**

**A:** If, in your opinion, the assessment of your property is too high, by all means discuss this with the Board of Assessors. When you receive notice of a new value, you may make an appointment to talk with the Assessors. In meeting with them, you will want to be specific about why you disagree. Is there some misinformation on the property card? Do you find the values of comparable properties lower than yours? If so, it is helpful to cite specific examples. Information on all assessments in the community is available in the Assessors' Office. The appeal process is described on the tax bill.

**Q: Do I have the right to appeal my assessment?**

**A:** The taxpayer has the right to file for an abatement of taxes, once the third quarter tax bills have been distributed. The taxpayer can file if he or she believes the property is over assessed, that it is not assessed fairly in comparison to the other properties, or that it

is not classified correctly by the Assessors. Information about this and the deadlines that must be met in filing an abatement is available at the Assessors' Office. If the Assessors do not grant the desired abatement, the taxpayer also has the right to appeal to the State's Appellate Tax Board within a certain time period.

**Q: How are property taxes determined?**

A: Before proposition 2 1/2 went into effect in Massachusetts in Fiscal Year 1982, the amount to be raised by the property tax in each community was essentially determined by what the community decided to spend in the coming year, either through its Annual Town Meeting or its City or Town Council. In brief, budgets determined, and then tax rates were set to raise that amount.

**Q: How is the tax rate determined?**

A: Once the Assessors have calculated the current total valuation of property and know the amount the Town Meeting or Council has voted to come from the levy, the Assessor prepare a document that shows how much of the value and how much of the proposed levy would come from each of the different classes of property (residential, commercial, industrial, open space, and personal). They provide this document to the Selectmen or Mayor and City or Town Council members, who must then vote on whether to apply the same tax rate or separate rates to the different property classes. If community officials choose to utilize different tax rates, a residential rate could, for example, be \$18 per thousand and the commercial/industrial rate \$24 per thousand. (The tax rate of \$25 per thousand then would result in a tax of \$2,500 for a property valued at \$100,000.) Next, Assessors prepare a "recapitulation sheet" that lists all the different sources of revenue available to the community in the coming year. The Assessors then submit the "recap sheet" to the Department of Revenue and request certification of the tax rate. Once the rate is certified, the tax bills can be mailed.

*Taken from "You and Your Property Taxes - A Taxpayer's Guide to Assessing in Massachusetts" - A joint publication of the Massachusetts Department of Revenue and Massachusetts Association of Assessing Officers.*

## MOTOR VEHICLE EXCISE

**Q: Where does the information on my bill come from?**

A: The Registry of Motor Vehicles according to the information on the motor vehicle registration prepares Excise bills. They are sent to city or town Assessors who commit them to the Tax Collector for collection.

**Q: How is my bill calculated?**

A: An excise at the rate of \$25.00 per one thousand dollars of valuation is levied on each motor vehicle. Figures are the manufacturer' list prices for vehicles in their year of manufacture. Present market value, price paid or condition is not considered for excise tax purposes. The excise tax law (M.G.L. c60A, s. 1) establishes its own formula for valuation for state tax purposes whereby only the manufacturer's list price and the age of the motor vehicle are considered. The formula is as follows:

In the year preceding the designated year of manufacture (brand new car released before model year).....	50%
In the designated year of manufacture.....	90%
In the second year.....	60%
In the third year.....	40%
In the fourth year.....	25%
In the fifth and succeeding years.....	10%

Every motor vehicle owner must pay an excise tax based on valuation of at least ten percent of the manufacturer's list price; thus, owners of vehicles older than five years should have a fixed excise tax bill for succeeding years of ownership. No excise tax bill will be reduced to less than \$5.

**Q: What if I feel I am entitled to an adjustment of my excise tax bill?**

**A:** If an owner of a motor vehicle thinks he/she is entitled to an adjustment of his/her excise bill, it is strongly recommended that he/she pay the bill in full, then contact the Assessors for an application for abatement. Although payment of a bill is not a precondition for an abatement, an owner risks incurring late fees and penalties if an abatement is not granted. Applications for abatement must be received by December 31 of the year following the year of the tax. If the bill is mailed after December 1 of the year following the tax year, application must be made on or before the 30th day from the date of issue or the date of mailing, whichever is later. Abatements can be handled through the mail; however, the bill should be paid as assessed and a refund will follow if the abatement is granted.

Abatements can be filed if the owner believes the valuation is incorrect, or if the vehicle was sold during the year in which it is being taxed and the registration was properly cancelled, or if the owner moved, registered the vehicle in another state, and cancelled the registration in Massachusetts, or did not renew the registration in Massachusetts. If the registration is cancelled, it is most important to return the plate(s) to the Registry of Motor Vehicles and to obtain a return plate receipt. When an abatement is granted, excise bills are prorated by the month, thus the owner is responsible for the excise accrued through in which the car was last registered to him/her.

If the application for abatement is denied at the local level or if a decision is not made within three months of filing, the denial can be appealed to the State Appellate Tax Board. Any abatement granted by the Appellate Tax Board because of overpayment shall be refunded, by the city or town treasurer, accompanied by the six percent interest, calculated from the date of payment of the excise to the date the refund is paid. No interest is due the taxpayer if the abatement is granted by the Board of Assessors. No abatement can reduce a tax to less than \$5, and no abatement of less than \$5 will be granted.

**Q: What if I move?**

**A:** If a motor vehicle owner moves within Massachusetts, and has not paid an excise tax for the current year, he/she should immediately notify the local Assessor of his/her new

address. The owner must pay the motor vehicle excise to the city or town in which he/she resided on January 1. If the owner moved before the first of the year, he/she must pay the tax to the new community to which the owner moved. If the owner did not notify the registry, the local assessor, and the post office that he/she moved before the first of the year, it may be necessary to file for an abatement with the former city or town which had sent the excise bill. Most cities or towns will dismiss the bill and reroute it to the new community once the owner furnished proof that he/she had moved before the first of the year.

If a motor vehicle owner moves out of Massachusetts and registers his/her vehicle in another state and cancels his/her Massachusetts registration or does not renew the Massachusetts registration, he/she can file an application for an abatement for that portion of the year after the month in which the motor vehicle was registered in the new state or in which the Massachusetts registration was cancelled, whichever is the later. Please note that it is necessary for a person who has moved out of state to cancel the registration in Massachusetts and obtain a plate return receipt in order to avoid problems with an excise tax abatement application or future registration in the new state, unless the new state as a general policy confiscates the plates from the old state (MA, i.e.). In such a case, the owner is still required to cancel the Massachusetts registration, but no plate return receipt is required if proof of registration in the new state is presented.

**Q: What if I sell my car?**

A: If an excise bill is received for a vehicle or trailer which has been sold, the seller must return the plate(s) to the Registry of Motor Vehicles, get a plate return receipt, and file an application for abatement together with the return plate receipt and bill of sale with the Board of Assessors. The bill will be adjusted to reflect the portion of the year that the vehicle was owned by the recipient of the bill. It is important to remember that the bill for a vehicle you no longer own should not be ignored.

**Q: What if I trade my car?**

A: If an excise bill is received for a vehicle which was traded and which was not owned in the calendar year stated on the bill, it is recommended to pay the bill and then file for an abatement with the Board of Assessors. The application must accompany a copy of the registration for the new vehicle, which indicates the date of transfer.

If an excise bill is received for a vehicle which was traded but which was owned for a portion of the calendar year stated on the bill, it is necessary to pay the bill and then provide a copy of the registration for the new vehicle which indicates the date of transfer together with an application for abatement to the Board of Assessors. The Board can then adjust the bill to reflect the ownership for only part of the year, and grant a proper abatement. The bill on the trade-in vehicle is prorated back to the last day of the month prior to the one in which the vehicle's registration was cancelled and the excise bill on the new vehicle will be prorated as of the beginning of the month in which the vehicle was registered.

**Q:** What if my car is stolen?

**A:** If the vehicle is stolen and not recovered within 30 days, the owner will be entitled to an abatement if the theft of the vehicle was reported to the local police within 48 hours of discovery of the theft. After 30 days, the owner must surrender the certificate of registration and obtain a certificate from the Registry of Motor Vehicles indicating he/she has done so. This certificate and the local police report of the theft should be presented to the Board of Assessors with an application for abatement. The Board will adjust the bill and grant an abatement for the remaining portion of the year. If the motor vehicle or trailer is subsequently recovered and reregistered, another excise bill will be issued for the remainder of the year. False reporting the theft of a motor vehicle or trailer will result in severe penalties and a person may be charged up to three times the excise due on the vehicle for an entire year.

**Q:** What is an excise tax exemption?

**A:** Chapter 60A, Section 1 of the Massachusetts General Laws provides excise tax exemptions for vehicles owned by certain disabled individuals and veterans, ex-prisoners of war and their surviving spouses and certain charitable organizations. Please contact your Assessors Office for further details on eligibility.

**Important reminder:**

Remember that when you register a motor vehicle, a motor vehicle excise bill is generated and you are responsible for its payment. If you move within Massachusetts or out-of-state, if you sell or trade your vehicle, or if it is stolen, you need to make every effort to obtain the bill, to pay it, and then to apply for an abatement if you are eligible.

And lastly, to avoid not receiving an excise tax bill on time, please keep the Registry of Motor Vehicles, your local tax assessor, and the post office aware of your current mailing address.

*Taken from "Motor Vehicle Excise Information" published by the Secretary of the Commonwealth Citizen Information Service.*

## **EXEMPTIONS**

**Q:** I am 65 years old; do I qualify for a property tax exemption?

**A:** If you are 65 years old or older, you may qualify for a property tax exemption if you meet the income, asset and ownership requirement. Every year the Massachusetts Department of Revenue provides the Assessors with the maximum amount of income and the maximum amount of assets an applicant can have to qualify for a property tax exemption. Please contact the Assessor's office for more information regarding the qualifications.

**Q:** I am a Veteran; do I qualify for a property tax exemption?

**A:** If you have a service-connected disability of 10% or more, you are entitled to a property tax exemption. Please contact the Assessor's office for more information regarding the qualifications.

Q: I am a Widow; do I qualify for a property tax exemption?

A: If you were widowed prior to July 1<sup>st</sup> of the current year, you may qualify for a property tax exemption if you meet the asset requirement provided by the Massachusetts Department of Revenue each year. Please contact the Assessor's office for more information regarding the qualifications.

Q: I am legally blind; do I qualify for a property tax exemption?

A: If the Commonwealth of Massachusetts Commission for the Blind has declared you legally blind prior to July 1st of the current year; you are entitled to a property tax exemption. Please contact the Assessor's office for more information regarding the qualifications.

Q: When do I apply for a property tax exemption?

A: You may apply for an exemption any time after July 1<sup>st</sup>. The deadline to file is the following March by the 31<sup>st</sup> of the month. That gives an applicant 9 months to apply for an exemption each year. An applicant must file a new application every year in order to qualify for an exemption.

Q: When will I receive my property tax exemption?

A: Property tax exemptions are applied directly to your property tax bills on the 3<sup>rd</sup> and 4<sup>th</sup> quarter bills, which are the bills mailed December 31<sup>st</sup> and April 1<sup>st</sup>.

Q: I was receiving a property tax exemption for \$750.00, now I am receiving an exemption for \$310.00. Why has there been a change in the amount I receive?

A: Every year the Massachusetts Department of Revenue determines the income and asset requirements for each exemption. If there has been a change in your income or assets or both, you may no longer qualify for the \$750.00 exemption, but could still qualify for the \$310.00 exemption. If you no longer qualify for the \$750.00 exemption we will automatically move you to the \$310.00 exemption so that you will still receive some kind of reduction from your property tax bills on the 3<sup>rd</sup> and 4<sup>th</sup> quarters.

Q: I am receiving a property tax exemption, but have sold my home. What should I do?

A: You should notify us as soon as the sale has been finalized. Instead of applying your exemption to the property tax bill, we will process the exemption in a check and mail it to you at your new address.