



Assessing Information for Taxpayers

FY 2007 3rd Quarter Billing and Abatement Period

FREQUENTLY ASKED QUESTIONS

Tax Rates

What are the tax rates for fiscal year 2007?

The residential tax rate is **\$10.99** per thousand dollars of value.

The rate for commercial, industrial and personal property accounts is **\$26.87** per thousand dollars of value.

Residential Exemption

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

The value of the residential exemption is **\$138,767**. For FY 2007, the tax dollar amount saved by qualified homeowner/occupants is **\$1,525.05**.

How do I know if I am receiving a residential exemption?

To determine whether you are receiving a residential exemption check your tax bill. If an amount appears to the right of the box marked "**residential exemption**" on your tax bill you are **already** receiving a residential exemption.

If you are not currently receiving an exemption, you have until **March 29, 2007** to apply. You must pay the full amount of the tax by **February 1, 2007** even if you apply for a personal exemption. If the application is approved, the exemption amount will be credited to your 4th 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 for an application.

Massachusetts Laws allows the City to grant a residential exemption to property occupied as the principal legal residence of its owner on January 1 preceding the fiscal year it is to be applied. 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 2005 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 Thursday, **March 29, 2007** to:

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

Purchase Year/Residential Exemption Eligibility Year

Calendar Year Purchase	Fiscal Year Eligibility
2005	2007
2006	2008
2007	2009

New Applicants:

Applications for FY2007 were sent in September 2006 to those persons who purchased their homes in calendar year 2005.

Applications for FY2008 will be sent in September 2007 to those persons who purchased their homes in calendar year 2006.

My residential exemption is not on my 3rd quarter tax bill although I have already sent in my application. What should I do?

Residential exemptions not credited on the 3rd quarter tax bill will be processed after the February 1st payments are posted (usually by mid-February). If your application is approved, you will receive a credit in the amount of the exemption. However, if your application is denied, you will receive a letter form the Assessing Department of this decision, as well as your right to appeal within 3 months.

Personal Exemption

What are personal exemptions? What types are available?

Personal exemptions are reductions in taxes due to a particular personal circumstance. The qualifications are set forth in the Massachusetts General Laws.

Personal exemptions are available to qualified homeowners who are:

- Elderly (65 years+)
- Blind
- Surviving Spouses or Minor children of deceased parents or Elderly (70 years+)
- Veterans

Each exemption has certain eligibility requirements (e.g., age, income restrictions). You may not receive more than one personal exemption. However, if you qualify for two or more exemptions, you will receive the exemption that saves you the most money. The burden is on the applicant to show that he or she falls within the expressed terms of the exemption provision.

Exemptions are granted for one year only. A renewal application will be sent each year. It must be completed and returned by the indicated deadline. Contact the Taxpayer Referral & Assistance Center at (617) 635-4287 for eligibility requirements. Detailed information on personal exemptions is available online at www.cityofboston.gov/assessing.

How do I find out if I am receiving a personal exemption?

To determine whether you are receiving a personal exemption check your tax bill. If an amount appears to the right of the box marked "**personal exemption**" you are **already** receiving the exemption.

If you are not currently receiving an exemption, you have until **March 29, 2007** to apply. You must pay the full amount of the tax by **February 1, 2007** even if you apply for a personal exemption.

If the application is approved, the exemption amount will be credited to your 4th quarter bill or refunded to you if you have paid your taxes in full.

My personal exemption is not on my 3rd quarter tax bill although I have already sent in my application. What should I do?

Personal exemptions not credited on the 3rd quarter tax bill will be processed after the February 1st payments are posted (usually by mid-February). If your application is approved, the exemption amount will be credited to your 4th quarter tax bill or refunded to you if you have paid your taxes in full.

Property Value

How did you arrive at my assessment?

State law requires that all property be assessed at its full market value. Real estate sales are collected and researched for each neighborhood. The sale of properties that are comparable to yours in terms of 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. The city does make interim year adjustments to keep property values at full fair cash value.

Tax Bill

What is the City doing to reduce the tax burden to residential taxpayers?

In 2004, legislation proposed by Mayor Menino and supported by the City Council changed the property classification law to provide immediate relief to residential taxpayers. The Classification Legislation contained a 5-year schedule that would ultimately return the business factor to pre-2004

levels in FY 2008 (175%). Until that time, the commercial sector will continue to bear a larger portion of the overall tax levy than prior to 2004, thereby reducing the financial strain placed on the residential sector.

The City 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, 2006, will be eligible for the residential exemption. This year's residential exemption will deduct \$1,525 from every eligible homeowner's tax bill, more than \$150 over last year's exemption amount. The exemption represents 30 percent of the average assessed value of Boston residential property. Boston is one of very few cities or towns in Massachusetts to offer a deduction at that rate.

In spite of the citywide increases in assessments, the average tax bill for a single-family homeowner receiving the residential exemption is \$3,091. This amount remains well below the projected statewide median residential tax bill of \$4,000, and is one of the lowest amounts in the Boston metropolitan area.

I did not receive my 3rd Q tax bill?

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.

I do not see my name on the tax bill.

State Law requires the Collector's office to send tax bills to the owner of record as of January 1, 2006, the assessment date. Ownership changes made after that date will be reflected in the next fiscal year starting on July 1, 2007.

If you were the owner of the property prior to January 1, 2006, contact the Assessing Department Tax Data Administration unit at (617) 635-3783 for further information.

Taxpayers who purchased their properties after January 1, 2006, may obtain a duplicate tax bill by calling the Taxpayer Referral & Assistance Center (TRAC) at (617) 635-4287.

Assessment

I disagree with my assessment. How do I file an abatement? Where do I get an application? When are applications due?

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 obtain an abatement application form on-line at: www.cityofboston.gov/assessing.

Applications must be filed no later than **Tuesday, February 1, 2007**. State Law prohibits the Assessing Department from acting on an application that is filed late. The Fiscal Year 2007 third quarter tax bill must be paid by **Tuesday, February 1, 2007** even if an abatement application is filed.

Proposition 2 ½

Doesn't Proposition 2 ½ limit my taxes?

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

If the City's tax levy is only increased by 2.5%, then why is my tax bill increasing so sharply?

Your tax bill is based on your property assessment as of January 1, 2006. Your assessment was determined using 2005 sales figures for homes in your neighborhood that were comparable in terms of style, age, size and condition. While the market for residential property has weakened in 2006, by law your Fiscal Year 2007 assessment is based on market activity from 2005. Any weakness in the current market will be incorporated into your Fiscal Year 2008 assessment.

Additionally, classification legislation was passed in 2004 providing immediate relief to residential taxpayers at a time when commercial property was stagnant or declining. The legislation contained a 5-year schedule whereby commercial taxpayers would pay a greater percentage of the overall tax levy, with the business factor returning to pre-2004 levels in FY 2008 (175%). In FY 2007, the business factor shifted from 190% in FY 2006 to 183%. The downward shift in the business factor has increased the residential sector's share of the overall tax levy.

Assessing information

Is property information available 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.

Common Questions to Assessors

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

The Assessing Department conducted a recollection project 5 years ago to document home conditions and update parcel records. These records are updated when a sale takes place or when building permits are issued. Assessors in turn use this data to come up with property assessments. Up to date property information makes it possible to determine assessed values without making a visit to a property.

I plan on renovating my property (i.e. new kitchen and baths); will this increase my tax bill?

Any major improvement increases the value of your home. A home with updated kitchens and baths in a typical cycle will yield a higher sale price than a comparable home with original kitchens and baths. Does that equate to a higher tax bill? Yes, because the improvement to your home will increase the value of your asset.