



THE REPRESENTATIVE EDWARD G. CONNOLLY

Massachusetts MERIT (Military Enhanced Relief Individual Tax) Plan

House Bill 4660

(Enacted by the Legislature, and signed by the Governor on August 14, 2006)

Sponsor(s): Rep. Edward G. Connolly (D-Everett) {Joint Revenue & Veterans Committee Redraft}

MAJOR HIGHLIGHTS:

1) **Increases Veteran Property Tax Abatements***

This provision amends several clauses within Ch. 59 §5 to adjust the various Veterans' Property Tax Exemptions. The abatements will be increased as follows:

- Clause 22nd: from \$250 to \$400
- Clause 22ndA: from \$425 to \$750
- Clause 22ndB: from \$775 to \$1,250
- Clause 22ndC: from \$950 to \$1,500

2) **Increases Gold Star Spouse Property Tax Abatements to \$2,500****

This provision amends Ch. 59 §5 Clause 22ndD to grant a \$2,500 property tax exemption for eligible surviving spouses of veterans killed in combat or missing in action or who otherwise died as result of a combat injury or terrorist act.

3) **Increases the Real Estate Tax Exemption For Disabled Veterans***

This provision amends clause 22ndE to increase the abatement amount from \$600 to a \$1,000 exemption. In addition, the exemption will be available to the surviving spouses of totally disabled veterans who qualified for this abatement while living. This clause is also amended to remove the current requirement of an annual statement to the assessor concerning the disability rating, in favor of a requirement that a statement is only required by the person receiving the exemption if the Veterans' Administration reduces the disability ratio to below 100%.

4) **Establishes a 5-Year 100% Property Tax Exemption For War Widows and Widowers****

This *new* provision provides a 100% property tax exemption for eligible surviving spouses of veterans and National Guard members killed or missing in action or who otherwise died as a direct result of a combat injury for the first five years after the servicemember's death.

5) **Allows Cities and Towns to Suspend Property Tax Payments of National Guard members and Reservists on Active Duty**

This provision adds a new section to Ch. 59 to allow a municipality, at local option, to suspend the payment of real property taxes due by a member of the National Guard, or Reserves, or their dependants while the member is on active duty. Once the member is placed on inactive duty status, all penalties, charges and interest shall be waived so long as the taxes due are paid within 6 months.

6) **Extends Sales and Vehicle Excise Tax Exemptions to Disabled Veterans**

This provision amends the Sales Tax (Ch. 64H) and the Motor Vehicle Excise Tax (Ch. 60A) exemptions currently available to those veterans meeting specified disability criteria (loss, or loss of use, of one or more hands, feet or eyes). It extends the exemption to *all veterans* who qualify for a DV plate, having been determined disabled by the RMV's Medical Advisory Board.

**The increases to these current exemptions shall be borne by the Commonwealth, not the cities and towns.*

***The cost of these abatements/exemptions shall be borne by the Commonwealth, not the cities and towns.*

Compiled by the Joint Committee on Veterans and Federal Affairs on 08/14/2006

For further information, contact the Joint Committee on Veterans and Federal Affairs at 617-722-2877.