



Fiscal Year 2019

Quick Facts about Personal Property

For more detailed answers please refer to www.mass.gov/dor/local-officials/municipal-finance-law

Chapter 59, Section 18 M.G.L. “All tangible personal property, including that of persons not inhabitants of the commonwealth, except ships and vessels, shall, unless exempted by section five, **be taxed to the owner in the town where it is situated on January first.**”

***Example A:** You owned a business on Jan 1, 2018. You sold the business in April 2018. Due to the fact you were the owners of Jan 1, 2018, you will be responsible for all of FY 19 taxes.*

***Example B:** You opened a new business on Feb 25, 2018. Due to the fact you did not own the business on Jan 1 2018, you will not be responsible for FY 19 taxes; if you remain in business until Jan 1, 2019 you will be responsible for FY20 taxes.*

Do other cities and towns in Massachusetts assess a personal property tax?

Yes. The board of assessors in each city and town assess personal property taxes on all personal property subject to tax situated within their communities as required by Chapter 59 of the Massachusetts General Laws.

What is considered personal property for local property tax purposes?

Personal property generally includes tangible items that are not firmly attached to land or buildings and are not specially designed for or of such a size and bulk to be considered part of the real estate. This includes merchandise, furnishings and effects, machinery, tools, animals and equipment. Such personal property will be taxable unless a specific exemption provision applies.

What personal property is subject to local taxation?

All personal property situated in the commonwealth is subject to tax, unless specifically exempt by law. Property is situated in a particular city or town in the commonwealth if it is present on January 1 with the owner's intention that it remain with some degree of permanence. Property that is frequently moved from place to place or intended for use temporarily at different places is considered situated where the owner is an inhabitant or has a principal place of business (if the property is business personal property). A primary example of exempt property involves household furnishings and effects. Household personal property at a person's domicile (primary residence) is expressly exempt from personal property tax. This exemption does not apply to property located at a second home.

Where does the revenue from personal property tax go?

Personal property revenue assists in funding the City of Lynn's general budget to support funding Public Safety, General Government, Department of Public Works, etc.

Which municipality has authority to assess the tax?

The community in which the property is situated on January 1 has the authority to assess the personal property tax. If the property has established no particular situs, the city or town in which the owner resides (or has a principal place of business) has the authority to assess the tax.

To who is the tax assessed?

The owner of the property as of January 1 preceding the fiscal year is the person assessed the tax. In the case of machinery or tangible personal property leased for profit, the tax may also be assessed to the person in possession. Personal property of a deceased person may be assessed to the estate or executor. Jointly owned property may be assessed to one or more of the owners. Partnership property is assessed in the partnership name.

What are the reporting requirements for personal property in Massachusetts?

Generally, the owner of taxable personal property situated in any community must file a return, known as the Form of List or State Tax Form 2, with the local board of assessors of that community on or before March 1 prior to the fiscal year to which the tax relates, listing the taxable property. The Fiscal years run from July 1 through June 30 of the following year. The return must provide a list of taxable property situated in the community on January 1 prior to the March 1 filing date.

Upon receiving the Form of List (State Tax Form 2) please complete all applicable info and return it to the Assessors Office located in City Hall, Room 202 by March 1.

How is personal property valued in Massachusetts?

Like real estate, all personal property must be assessed at fair cash value. Generally, personal property is valued using the cost method.

What procedures exist for contesting a valuation or tax on personal property in Massachusetts?

For locally valued and assessed personal property, the taxpayer generally must apply for abatement with the local board of assessors within a relatively short period of time after the actual tax bill is issued. An abatement application is made on State Tax Form 128 which must be filed by the due date of the first installment payment of the actual tax bill (the first bill stating the value). In a community issuing quarterly tax bills (Lynn), the first payment due date for the actual bill is usually February 1.

IMPORTANT DATES:

- Fiscal Year: **July 1-June 30**
- Statutory Assessment Date: **January 1:**
 - Owner Jan 1 responsible for all of subsequent FY taxes.
 - All property situated in Lynn Jan. 1 is taxable
- Abatement deadline: February 1
- Form of List due date (State Tax Form 2): March 1:

Current Commercial Tax Rate: \$29.45/\$1,000

Lynn Real Estate and Personal Property Tax Bills are paid quarterly. Fiscal Year Begins July 1 end June 30.

- 1st Quarter: Billed July 1 due: August 1
- 2nd Quarter: Billed Oct 1 due: November 1
- 3rd Quarter: Billed Jan 1 due: February 1
- 4th Quarter: Billed April 1 due May 1

*New businesses may only receive two bills in first year; bills will be received 3rd and 4th quarter