

CITY OF LYNN

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BOARD OF ASSESSORS

***Fiscal Year 2024
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 1st.**”

***Example A:** You owned a business on Jan 1, 2023. You sold the business in April 2023. Due to the fact you were the owner on Jan 1, 2023, you will be responsible for all of FY 24 taxes.*

***Example B:** You are a new business owner as of Feb 25, 2023. Due to the fact you did not own the business on Jan 1 2023, you will not be responsible for FY 24 taxes; if you remain in business until Jan 1, 2024 you will be responsible for FY25 taxes.*

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

Yes. The board of assessors in each city and town assesses 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 not firmly attached to land or buildings and 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 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 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 the 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 where the owner resides (or has a principal place of business) can assess the tax.

To whom is the tax assessed?

The owner of the property, as of January 1 preceding the fiscal year, is the person assessed the tax. The tax may also be assessed to those possessing machinery or tangible personal property leased for profit. The 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 before the fiscal year to which the tax relates, listing the taxable property. The Fiscal year runs from July 1 through June 30 of the following year. The return must provide a list of taxable property in the community on January 1 before 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?

All personal property, like real estate, 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 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

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 Personal Property Tax Rate: \$21.35/\$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

payment due date for the actual bill is usually February 1.