Date

Dear Taxpayer:

The City of Cambridge realizes that the process of assessing, billing and collection of Massachusetts motor vehicle excise tax can be confusing. We have mailed this summary to help you to understand the process and avoid any unfortunate consequences arising from misunderstandings.

The Tax:

All Massachusetts residents who own and register a motor vehicle must annually pay a motor vehicle excise. Each vehicle is issued a separate excise tax bill. The excise is levied by the city or town where the vehicle is principally garaged and the revenues become part of the local treasury.

Billing:

Cambridge prepares its own excise bills according to the information sent electronically from the Registry of Motor Vehicles. The Registry prepares this information from motor vehicle registration data. Each taxpayer who has a vehicle registered before December can expect to receive a tax bill in late February to Mid-March. You will receive a separate bill for each registered vehicle. Please call the Cambridge Tax Collector at (617) 349-4220 if you have not received your bill(s) by mid-March. Bills for vehicles first registered in December arrive somewhat later. If you purchased a vehicle in the current calendar year, you can expect a bill a few months after the purchase date. The tax on this bill will be prorated for that portion of the year which you owned the vehicle.

Bill Computation:

An excise at the rate of $25 per one thousand dollars of valuation is levied on each motor vehicle. The excise tax law (Massachusetts General Laws, Chapter 60A, section 1) establishes its own formula for valuation for state tax purposes whereby only the manufacturer's list price and age of the motor vehicle are considered. The Registry does not consider present market price, price paid and vehicle condition. The state formula is as follows: in the year preceding the designated year of manufacture (brand new car released before model year) 50% of list price; in the designated year of manufacture 90%; second year 60%; third year 40%; fourth year 25%; fifth year and thereafter 10%. The minimum bill is $5. Certain persons such as disabled individuals and veterans, ex-prisoners of war and their surviving spouses and certain charitable organizations are exempt from excise tax. Contact the Cambridge Assessor at 349-4343 for eligibility information.

Collection and Payment:

Cambridge is responsible for collecting its own excise tax. Past due accounts are sent to a deputy collector for collection. Cambridge keeps all amounts collected except the deputy collector's fees. There are no state provisions for financial hardship. Payment is due 30 days from the date the bill is mailed. According to MGL, Chapter 60A, Section 2, "Failure to receive notice shall not affect the validity of the excise." A person who does not receive a bill is still liable for the tax. Therefore, it is important to keep the Registry informed of your current mailing address.

Penalties for Non-Payments:

If the tax is not paid within 30 days, Cambridge sends a demand notice. The demand charge is $5 and interest is charged at 12% from the due date. If the bill still remains unpaid after 14 days, a warrant is issued by the deputy collector. The warrant includes $14 in fees, comprised of a $5 warrant fee and a $9 deputy collector fee. If this warrant is not answered, then a service warrant, costing $14, is delivered to your residence. In addition to fees and interest, Cambridge can and will notify the Registry of non-payment. The Registry will mark the motor vehicle registration and/or the owner's drivers license for non-renewal. At this point only full payment in cash, plus a $10 release fee will clear the vehicle for re-registration.

Abatements:

If you feel that you are entitled to an adjustment to your excise tax bill because the assessment is incorrect, the vehicle has been sold during the year for which it is being taxed and the registration was properly canceled, you moved, you did not renew the registration in Massachusetts or your vehicle was stolen, you may apply to the Cambridge Assessor for an abatement. It is strongly advised that you pay the full tax due while awaiting an abatement decision to avoid interest and other charges in the event of a denial. If the application for abatement is denied or a decision is not made by the Cambridge assessor within three months, you may appeal to the State Appellate Tax Board.

Helpful Hints:

Notify the Registry immediately if you move so that your excise tax bill is sent to the proper address. If you sell your vehicle and are not transferring the plates, return the plates to the Registry during the month of the sale and get a plate return receipt. File an abatement application with a copy of the receipt and your tax bill will be prorated and you will be refunded any overpayment. If you did not own the vehicle in the year for which you are being billed, you are entitled to a full refund. However, we still suggest that you pay the full bill pending approval of your abatement. If your vehicle is stolen, notify the police within 48 hours. If the vehicle is not recovered within 30 days, you can surrender your registration to the Registry and file for an abatement with the assessor, attaching a copy of the police report and the Registry receipt.

This letter is excerpted from the pamphlet "Motor Vehicle Excise Information," which is available from the Citizen Information Service of the Massachusetts Office of the Secretary of State. The telephone number there is 727-7030 or (800) 392-6090 from outside the Boston area.

Sincerely,

James P. Maloney, Jr.
Treasurer and Collector

3.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

May 20, 1996

To The Honorable, The City Council:

In response to Awaiting Report Item No. 11 regarding excise tax bills, please find attached a copy of a pamphlet that will be mailed out with excise taxes, and informs motor vehicle owners about the excise tax billing process.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
attachment

S-279

Consent Agenda #3

Relative to Awaiting Report Item Number 11, regarding excise tax bills.

In City Council May 20, 1996

Placed on file