In no instance shall the amount by which a person's property tax liability is reduced in exchange for the provision of services be considered income for the purposes of taxation as provided in chapter sixty-two and in no instance shall services performed pursuant to this section be considered employment for the purposes of unemployment insurance pursuant to chapter one hundred and fifty-one, workers' compensation as provided in chapter one hundred and fifty-two or any other provision of the General Laws but shall be considered an employee for the purposes of chapter two hundred and fifty-eight of the General Laws.

Wednesday, May 19, 1999 11:16:11 AM
Local Government Item

From: John Robertson

Subject: Tax Relief for Senior Citizens

To: Local Government

Legislative Update

May 18, 1999

SENATE GIVES INITIAL APPROVAL TO TAX RELIEF BILL FOR SENIOR CITIZENS

On May 18, the Senate gave initial approval to legislation [Senate Bill 1750] that would authorize cities and towns to employ citizens over sixty years of age and to compensate them with a reduction in their property tax bill. Text of S. 1750 is attached below.

The tax benefit allowed under S. 1750 would be calculated at the minimum wage for each hour worked and would be capped at $500 per year per participant. The benefit would not be considered income for state income tax purposes. Cities and towns would be authorized to adopt regulations for administering the program.

Story written by John Robertson, MMA Deputy Legislative Director

SENATE BILL 1750
AN ACT ESTABLISHING A SENIOR SERVICE CORPS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Chapter 59 of the General Laws is hereby amended by inserting after section 5J, the following section:-

Section 5K. Any city or town which accepts this section may establish a senior service corps whereby persons over the age of sixty may obtain employment in any municipal department in order to earn reductions in their real estate tax obligations; provided, however, that no person shall receive a rate in excess of the current minimum wage per hour for services performed nor shall such reduction exceed five hundred dollars in a given tax year. It shall be the responsibility of the city or town to maintain a record of each such taxpayer's service including, but not limited to, the number of hours of such service, the hourly rate and the total amount by which such real property has been reduced. A copy of each such record shall also be delivered to the taxpayer prior to the issuance of the actual tax bill. Such cities and towns shall have the power to create local rules and procedures for implementing this section in any way consistent with the intent of this section.

395-5

Consent Communication #3

A communiction was received from John Robertson, Tax Relief for Senior Citizens, transmitting a legislative update on the senate's initial approval to tax bill for senior citizens, Senate Bill 1750.

In City Council May 24, 1999

PLACED ON FILE