



February 2, 2005

[REDACTED]

Re: Personal Property Tax
Our File No. 2005-27

Dear [REDACTED]

Your letter to Governor Romney concerning your bill from the town of Bourne for personal property taxes has been referred to me for reply.

As provided in Chapter 59 Section 2 of the General Laws, all personal property in the Commonwealth is taxable, unless otherwise exempt. Chapter 59 Section 5 Clause 20 of the General Laws exempts household furniture and effects at the taxpayer's domicile. It is a rule of law that a person has only one domicile whereas he may maintain several residences. If the local assessors in Bourne make a determination that an owner of real property is a summer resident and not domiciled there, then the personal property at the Bourne location is fully taxable.

You first inquired about the taxable valuation of the personal property. In order to assist the assessors in valuing the personal property, Chapter 59 Section 29 of the General Laws requires each taxpayer with taxable personal property to submit a true list (State Tax Form 2HF for household furnishings) on or before March 1 each year. Failure to furnish the form of list will result in the assessors estimating the just value according to their best information and belief. Personal property is assessed at full and fair cash value and is usually valued by the cost method taking into account quality, age and condition. The Commonwealth does not issue a valuation or pricing manual. Moreover, there are no State promulgated depreciation schedules or cost indices. As a general matter, the local valuation method uses reproduction or replacement cost less depreciation. Even if functionally obsolete, personal property may have a utility value which is greater than its resale or salvage value.

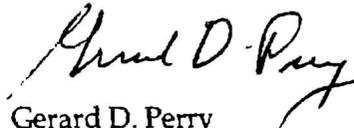
You also inquired about a taxpayer's abatement rights. Under Chapter 59 Section 61, the assessors cannot grant any abatement of a personal property tax unless a form of list has been filed. Consequently, an aggrieved taxpayer who failed to file a timely form of list should submit a late filed form of list together with an abatement application, and include an explanation of the reason for the delay in filing. The assessors then may have jurisdiction to grant an abatement but the amount of any abatement may be reduced since

Chapter 59 Section 61 includes limits on abatements approved pursuant to a late filed form of list.

A taxpayer who is not satisfied by the decision of the board of assessors can file a timely appeal with the Appellate Tax Board under Chapter 59 Section 64 of the General Laws.

I hope this information proves helpful.

Very truly yours,



Gerard D. Perry
Deputy Commissioner

GDP/DJM/JFC