COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES

Property Tax Bureau
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OMITTED AND REVISED ASSESSMENTS

Chapter 398 of the Acts of 1989
(Amending G.L. Ch. 59 575 and 76)

SUMMARY:

This legislation amends General Laws Chapter 59, Sections 75 and 76 by eliminating the requirement that the Board of Assessors obtain the approval of the Commissioner of Revenue before it makes any omitted or revised assessments. As a result, assessors will now be able to make omitted and revised assessments, without first requesting authorization from the Commissioner and will then simply submit an annual report on the omitted and revised assessments made for the fiscal year. The legislation also provides that the assessors must make omitted and revised assessments in accordance with guidelines issued by the Commissioner.

Since rollback, taxes under G.L. Ch. 61A, classified agricultural land, and Ch. 61B, classified recreational land, are. assessed as omitted assessments, assessors will no longer be required to obtain the Commissioner's prior authorization to assess those taxes either.

GUIDELINES:

Each year the assessors discover, value and classify taxable real and personal property, determine who should be assessed taxes on that property and commit the taxes assessed for the fiscal year to the collector.

After the annual commitment is made, the assessors may discover that mistakes were made in the commitment and, as a result, some property owners were never or incorrectly assessed for the year. The assessors may remedy these assessment omissions or errors within a limited period of time each year by making omitted or revised assessments.

These guidelines explain the requirements and procedures for making omitted and revised assessments.

I. OMITTED AND REVISED ASSESSMENTS

A. DEFINITION

In order to use the omitted or revised assessment procedure, the assessors must discover an omission from or error in the tax commitment which, if known to them before the commitment was made, would have resulted in the taxpayer being assessed a tax or additional taxes on the real estate parcel or personal property account for the fiscal year.

The omission or error may be in the valuation or classification of the property or the amount of the tax due for the fiscal year. However, it must be unintentional or inadvertent. This means there must be some clerical, data processing or other type of good faith reason for the omission or error. The assessors cannot simply change their minds about the value or taxable status of the property after the commitment. Typical examples are inadvertent mistakes made in the assessment administration process such as mistakes made in updating property records or applying valuation methodology.

1. Omitted Assessment: An omitted assessment may be made when the mistake resulted in the entire parcel or account being omitted from the annual commitment. In other words, an omitted assessment is made when no taxes were assessed for the year on the parcel or account.

   Examples of omitted assessments include situations where:

a. A parcel previously unknown because of a mapping error was discovered during a remapping project.

b. A parcel or account was inadvertently not data entered.

c. A parcel was incorrectly identified as exempt because the incorrect code was entered in the assessors' records or information on the new owner was not received from the registry of deeds.

d. The assessors did not know that a new business with taxable personal property had moved into the community because no form of list was filed by the owner.

2. Revised Assessment: A revised assessment may be made when the mistake resulted in the tax on the parcel or account being underassessed. In other words, a revised assessment may be made when not enough taxes were assessed for the year on the parcel or account.

Examples of revised assessments include situations where:

a. A property or account was undervalued because some of the taxable valuation of the parcel or account was not included in the assessment. For example, a portion of the land, buildings or other structures or improvements that constitute the single parcel of real estate, or an item in the personal property account, was not valued and assessed.

Typical situations are where a new house, garage, deck or item of personal property is not included in the assessment because the assessors did not know of its existence or because of a data processing error in entering the information in the assessors' records.

b. A property was undervalued because of a clerical or data processing mistake when applying the land or building valuation schedules.

c. A commercial property in a community with multiple tax rates was incorrectly classified as residential because the incorrect code was entered in the assessors' records or the assessors did not know there had been a change in the use of the property.

B. DEADLINE FOR MAKING ASSESSMENTS

The assessors have a limited period of time each year to make omitted or revised assessments. The assessors must make the assessment on the taxpayer owning that property by June 20th or 90 days after the mailing of the tax bills, whichever is later.

This means that June 20th is the deadline for all cities and towns that mail their actual (not preliminary) tax bills on or before March 22nd . In all other cities and towns, the deadline is 90 days after the date the bills were mailed.

This deadline is the date by which the assessors must commit the omitted or revised assessment. If the omitted or revised assessment is not committed by the applicable deadline, the assessment is invalid.

C. ASSESSMENT PROCEDURES

If the assessors discover property that has been omitted or underassessed, they should prepare a commitment list for the additional assessment.

For omitted assessments, the assessors would include the same information on each property as appears in the original commitment. In the case of revised assessments, the commitment would include the amount of the additional taxes being-assessed and all information on the property that the collector, needs to bill the taxpayer and to match the revised assessment with the original assessment on the same property (for example, a reference to the page and line from the original commitment).

Once the list is prepared, the assessors will commit it with a warrant to the collector. State Tax Forms 62 (omitted) and 63 (revised) may be used for that purpose.

D. COLLECTION PROCEDURES

1. Bills

After receiving the commitment, the collector will issue tax bills for the omitted or revised assessments. The bills should show the additional amount of taxes assessed on the parcel or account. In addition, the bill or a statement accompanying the bill should show the change made in value or classification that resulted in the additional tax being assessed and should explain the procedure available to the taxpayer to appeal the omitted or revised assessment. See Section I-E below.

2. Due Dates and Interest

a. Semi-Annual Payment System

In communities using a semi-annual tax payment system, the payment due dates for omitted or revised assessments are the same as regular tax payments.

One half of the amount billed for the omitted or revised assessment is due on November first or 30 days after the bill was mailed, whichever is later, and the balance is due on May first. Interest on delinquent first payments would be charged from October first or the date the bill for the omitted or revised assessment was mailed, whichever is later, and on delinquent second payments from April first.

However, if the bill for the omitted or revised assessment is mailed on or after April first, the entire amount is due 30 days from the date the bill was mailed, and interest on delinquent payments would be charged from the date the bill was mailed.

b. Quarterly Payment System

In communities using a quarterly tax payment system, the entire amount billed for the omitted or revised assessment is due on May first or 30 days after the bill was mailed, whichever is later. Interest on delinquent payments would be charged from the first day after the due date, not the date the bill was mailed.

E. TAXPAYER APPEALS

The taxpayer has the right to appeal an omitted or revised assessment by filing an application for abatement with the assessors. The deadline for filing the application is three months, not 30 days, from the date the tax bill for the omitted or revised assessment was mailed.

II. ROLLBACK ASSESSMENTS

The omitted assessment procedure is also used to assess rollback taxes under G.L. Ch. 61A, classified agricultural land, and Ch. 61B, except the annual deadline for making omitted assessments does not apply to rollback taxes.

If the assessors determine that a rollback tax is due, they should commit the tax with a warrant (State Tax Form 62 may be used) to the collector.

The collector will then issue a bill for the rollback tax. The bill should show the entire amount of rollback taxes assessed on the parcel. In addition, the bill or a statement accompanying the bill should explain the computation of the rollback tax (for example, full and fair cash value, classified value, valuation credit and tax rate by year) and the procedure available to the taxpayer to appeal the rollback tax.

III. ANNUAL REPORT

The assessors in all cities and towns must submit an "Omitted and Revised, Assessment. Report" to the Property Tax Bureau each year. The report must be signed by a majority of the assessors.

A. REPORT FORM AND CONTENT

The annual report consists of two parts:

a. A summary showing the total amount of additional taxes levied as omitted and revised assessments and rollback taxes. The summary also includes a certification that all omitted and revised assessments were committed by the applicable deadline.

b. A copy of all commitment lists for omitted and revised assessments and rollback taxes.

B. SUBMISSION DEADLINE

The assessors must submit the report within 10 days of the deadline for committing revise a assessments omitted an for the fiscal year.

This means that reports must be submitted by June 30th for all cities and towns that mailed their actual (not preliminary) tax bills on or before March 22nd. In all other cities and towns, the report is due 100 days after the date the tax bills were mailed.

C. DEPARTMENT OF REVENUE REVIEW

The Property Tax Bureau will review the "omitted and Revised Assessment Report" submitted by the assessors to ensure that all assessments were 'made within the applicable deadline and that the additional amount assessed is not excessive.

The Commissioner may require any additional information from or action by the assessors deemed appropriate to ensure that the omitted and revised assessment procedure is properly used.

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