

Seniors could defer paying Proposition 2 1/2 taxes under bill

By Edward Mason , Staff writer
Eagle-Tribune

Published: May 02, 2007 12:00 am  

[View as a multiple pages](#)

BOSTON - Sen. Steven A. Baddour has filed legislation to temporarily exempt senior citizen homeowners from the cost of Proposition 21/2 property tax overrides.

Under the Methuen Democrat's proposal, a city or town could exempt residents 65 years or older from additional property-tax assessments approved by an override. Such an override allows towns to raise taxes beyond the 2.5 percent limit set by the state Constitution under Proposition 21/2. The senior would have to live on the property.

The senior homeowner would have to pay eventually. He or she would have to enter into a tax deferral agreement, allowing the city or town to collect the assessment plus 4 percent interest for each year deferred when he or she sells the home or dies.

Baddour said the measure protects senior citizens whose property values - and property taxes - are rising while their incomes are not.

"The focus is to protect seniors on fixed incomes," Baddour said. "There are seniors who bought their homes for \$25,000 and never expected they'd be worth \$500,000."

Baddour filed a similar bill last year, but lawmakers didn't act on it before the session ended.

While the new bill doesn't have asset and income limits, Baddour expects those to be worked into the bill as it moves through the Legislature.

Laura Henze Russell, a project director with the Gerontology Institute at University of Massachusetts Boston, praised Baddour's bill for allowing seniors to defer payment until after they've sold their home or have died.

"It's creative and worth very serious attention," Russell said.

Kathy Urquhart, director of Andover's elder services, said the measure addresses a serious problem for many elderly homeowners.

"Property taxes in Andover as in all communities are rising," Urquhart said. "And many seniors are on fixed incomes."

Roseann Robillard, director of the Newburyport Council on Aging, said seniors are sometimes forced out of their homes by rising property taxes.

"A lot of seniors consider having to move out of their community because they can no longer continue to live there," Robillard said.

And if those seniors live in the region north of Boston, their city or town is either considering or has recently rejected an Proposition 21/2 override.

North Andover is considering going forward with an override. Newburyport, Rockport, Rowley and Salisbury also are among communities considering overrides.

Conventional wisdom says seniors oppose overrides and their votes contribute to their defeat. Barbara Anderson of Citizens for Limited Taxation said Baddour's plan would make it easier for overrides to pass.

"We're afraid if you don't have the direct threat that the override will pass, everyone will pay higher taxes and the seniors' share," Anderson said.

Gloucester recently voted down an override. Mayor John Bell said allowing seniors to pay later undermines the dire nature of overrides.

"To get some kind of delay because of age flies in the face of reason for an override to begin with," Bell said. "If you need the money today and you need to go to an override, why would you delay payment until later?"

The Baddour bill was one of more than a dozen affecting seniors considered yesterday by the Legislature's Revenue Committee.

Rep. Barbara A. L'Italien, D-Andover, has moved to adjust a key senior citizen tax break. The senior circuit-breaker credit allows seniors a tax deduction of up to \$870 if their property taxes, water and sewer bills amount to 10 percent of their income. L'Italien wants to drop that to 8 percent. She'd also like the state to do a better job of informing seniors they might be eligible for the tax break.

House Republicans, led by Rep. Bradley H. Jones Jr. of North Reading, successfully pressed the House to include an expansion of the tax credit in the fiscal 2008 budget proposal. It would let seniors count half of their home heating costs among eligible costs for the circuit-breaker credit.

L'Italien, co-chairman of the Legislature's senior caucus, said lawmakers are reacting to seniors' concerns.

"It is consistently in the top three of what seniors are asking for from government," L'Italien said.