

State of Massachusetts Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

The basis of tax in the Massachusetts property tax law is fair cash value (Sec. 2A, Ch. 59, G.L.). This applies to both real and personal property (Sec. 38, Ch. 59, G.L.). Fair cash value is not defined by statute but has been judicially defined as the price a willing owner not under compulsion to sell the property would be willing to receive from a willing buyer not under compulsion to buy the property (Boston Gas Co. v. Assessors of Boston (MA SupJudCt 1956) 334 Mass 549, 137 NE2d 462).

Real Property Defined

Real property, for purposes of taxation, includes land and all buildings and other things thereon or affixed thereto (Sec. 2A, Ch. 59, G.L.).

Real property exemptions include: Solar or wind powered systems (20-year exemption) (Sec.5, Cl. 45, Ch. 59, G.L.); hydropower facilities (20 years, payment in lieu of taxes required) (Sec. 5, Cl. 45A, Ch. 59, G.L.); the real or personal property of a water company whose charter exempts its property from taxation (Sec. 5, Cl. 14, Ch. 59, G.L.); certain water and sewer debt service charges (Sec. 5, Cl. 53, Ch. 59, G.L.); and, beginning in 2014, property owned by a telephone corporation subject to the provisions of state law dealing with telephone and telegraph companies and lines for the transmission of electricity other than real estate, poles, underground conduits, wires and pipes, and machinery used in manufacture or in supplying or distributing water (Sec. 5, Cl. 16, Ch. 59, G.L.).

Personal Property Defined

The following types of property are assessed as personal property regardless of the manner in which they are affixed: Pipelines used to transmit natural gas or petroleum for a distance of more than 25 miles (Sec. 3C, Ch. 59, G.L.); Machinery employed in any branch of manufacture or in supplying or distributing water, or in the case of domestic business or foreign corporations, machinery used in the conduct of business (Sec. 18, Cl. 2, Ch. 59, G.L.), including machinery designed or used for the intrastate or



interstate transportation of persons or goods, which includes, but is not limited to, aircraft frames, aircraft engines, and aircraft avionics (but see *Boston Edison Co. v. Board of Assessors of Boston* (MA SupJudCt 1988) 402 Mass 1, which held that electrical generating machinery was properly valued as real estate); Poles, underground conduits, and pipes, and the wires thereon or therein, laid in or erected upon private property or in a railroad location by any corporation, unless laid or erected by a railroad corporation in or upon the location of the railroad, or laid in or erected upon any right of way owned by a street railway company (Sec. 18, Cl. 5, Ch. 59, G.L.).

Intangible Property Taxes

All intangible personal property is exempt (Sec. 5, Cl. 24, Ch. 59, G.L.).