

WHAT PROPERTY IS TAXABLE?

Tangible (that is, physical) property is subject to the personal property tax unless exempted by statute. Items defined as tangible personal property range from the chairs in a barber shop to the furnishings of a doctor's waiting room; from the drills used by a dentist to the poles owned by a utility.

WHAT PROPERTY IS EXEMPT?

Tools employed by a plumber, carpenter, auto mechanic and other trade professionals are exempt from the personal property tax. In legal terms, this exemption covers tools of trade of a mechanic (e.g. small tools that can fit in a tool box). Boats, fishing gear and nets - up to \$10,000 in value - owned and used in a commercial fishing business are exempt.

Tools of other professionals not listed in the above paragraphs are considered taxable. These include dentist's drills and x-ray machines. Computers are also subject to the personal property tax, but in cases where they are utilized by a corporation for internal purposes only (e.g. for such functions as internal accounting or administrative operations), computers are not subject to taxation.

Tangible personal property subject to some other type of local tax is also exempt from the personal property tax. Motor vehicle and trailer excise, ship and boat excise, the farm animal and equipment excise and mobile home park license fees are all included in this category.

Intangible personal property is exempt from the personal property tax. Intangible property includes stocks, bonds and cash, mortgages and other evidence of ownership of property rights.

INDIVIDUALS, SOLE PROPRIETORS, PARTNERSHIPS, TRUSTS

For business corporations, poles, underground conduits, wires and pipes (property generally owned by utility companies) and machinery used in the conduct of business are taxable.

The term machinery used in the conduct of business does not include personal property directly used in any purchasing, selling, accounting or administrative function; nor does it include inventory or stock in trade, or personal property directly used in connection with laundering or dry-cleaning processes, the refrigeration of goods or in the air conditioning of the premises. Such property is therefore exempt.

When, however, machinery is used primarily on behalf of that corporation's customers (e.g. using computers and equipment to process data on behalf of clients), then the machinery is not exempt from taxation.

MANUFACTURING CORPORATIONS (DOMESTIC AND FOREIGN)

Poles, underground conduits, wires and pipes of manufacturing corporations are taxable.

Machinery of a manufacturing corporation (domestic or foreign) is not subject to personal property taxation. The Commissioner of Revenue for the Commonwealth determines what is a manufacturing corporation.

ALL OTHER DOMESTIC CORPORATIONS

All other domestic corporations (including all that are subject to taxation under Chapter 63 of the Massachusetts General Laws - such as insurance companies, public service corporations, utilities, savings banks and cooperative banks) are subject to taxation on poles, underground conduits, wires and pipes; as well as machinery used in the manufacture or in the supply or distribution of water.

WHERE THE PERSONAL PROPERTY IS ASSESSED

Generally, all tangible personal property is assessed in the city or town in which the personal property is situated as of January 1. The principal exception is in situations where personal property has only a temporary location as of January 1. In the latter case, the property is assessed at the residence of the owner.

FORM OF LIST

Each year, prior to March 1, all persons subject to taxation in a city or town must submit a list of all their personal property which is not exempt from taxation. These personal estate items must be included on the documentation known as the **Form of List**. Blank Forms of Lists are available at the Assessors office, 175 Central Street, E Bridgewater, MA 02333 (508)378-1609.

Taxpayers are not required to estimate the value of the property included on the Form of List. The Assessors office will determine the valuation based on standard reference tables. In the event that a taxpayer does not submit the list, the assessor will ascertain, as best (s)he can, the personal estate belonging to the taxpayer and

will estimate its value.

For Fiscal Year:	Form of List Due:
2000	March 1, 1999
2001	March 1, 2000
2002	March 1, 2001

ABATEMENT OF TAX

Applications for abatement must be filed within 30 days of the date of mailing of the first half tax bill. Applications may be obtained at the Assessors office, 175 Central Street, E Bridgewater, MA 02333 during the abatement filing period.

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PENALTY

There is a penalty for failing to file the Form of List pursuant to Massachusetts General Law c.59 section 64. A personal property taxpayer's application for abatement may not be granted unless the taxpayer can show good cause for failure to file timely. Further, if the assessment of the personal estate exceeds by 50% the amount which would have been assessed had the list been timely filed, then only the amount which exceeds this 50% may be abated.

INFORMATION REQUESTS

The Assessors Office may require an owner or lessee of personal property to provide certain information in writing, as may be reasonably necessary, to determine the actual fair cash valuation of the property. Failure to comply with the request within thirty (30) days will bar any appeal of the tax assessed, unless the owner or lessee was unable to comply with the request for reasons beyond his or her control. Any false statement that is knowingly made will also bar the taxpayer from any statutory appeal.



This brochure provide basic information about personal property taxation in Massachusetts. If you have specific questions regarding this topic, please contact the Assessors office at (508)378-1609.

All personal property situated in the Commonwealth of Massachusetts, and personal property belonging to the inhabitants of the Commonwealth wherever situated, is subject to taxation unless expressly exempted by law.