

Tax Fairness Committee
Minutes
July 19, 2019

The Tax Fairness Committee met at 8:00 am on July 19, 2019 in the Select Board Room. Present were members James Phelps, David Karr, Reinier Beeukes, Nancy Cronin, and Bill Kemeza. Also present were Michael Lawson, Select Board liaison, and John Hickling, Finance Committee liaison.

The minutes of the May 24 and June 21, 2019 meeting were approved.

The Committee discussed which method of calculation in the attached examples should be used for Concord's means tested tax exemption (MTE). David said that as the Concord MTE special act is written - Method #1 should be used. Lane Partridge, the Town Assessor, does it this way with the statutory exemptions (the elderly exemption is \$1,000) and the state Circuit Breaker (CB)(\$1080) applied first.

Reinier suggested that the MTE be calculated first, before the statutory exemption and the CB - Method #3. Bill Kemeza suggested that the federal gross income be used for the applicant's income rather than the current method used by the Town Assessor, which is the calculation of income for the CB. He said he thinks that Method #1 is the best.

Michael said the we must look at the impact of Method #3 on the town's taxpayers because Method #3 means that the town will pay more than the state, whereas Method #1 leads the state to pay more than the town. He said that exemptions should not be counted as income.

The Massachusetts Assessors Association's bill uses the goal of 11% rather than Concord's 10% of the applicant's income as the goal for the MTE. Nancy asked why.

Michael asked whether the Committee wanted to do anything about the abrupt change in eligibility of an applicant's income just over the top limit - \$59,000 when the top limit is \$58,000.

Regarding the draft letter to the Select Board, David said that the Committee's goal is to make Concord's MTE permanent and to simplify its administration. That would be by using Method #3, where the Town would pay more than the state. He said he would ask Lane Partridge if he would show the different methods to the professional accounting firm.

Michael said that the Town Meeting might not like the fact that the Town would be taking on more cost. David said in the letter to the Select Board we might estimate the cost between 5 and 10 thousand dollars.

Bill asked for an estimate of the number of people who might lose the CB if we use Method #3.

Nancy said that we need to get in touch with our legislators about our plans.

It was decided that the next meeting will be on Tuesday, August 6.

Respectfully submitted:

Nancy Cronin
Clerk