



Testimony Submitted to the Joint Committee on Revenue
In Support of S1827 and H2738
An Act relative to taxes due upon the death of active-duty personnel and the elderly
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Many seniors across the state struggle to stay in their homes as their property tax bills grow faster than their incomes. One bright spot for many low-and-middle income seniors is the opportunity to defer their property taxes. However, even though most towns that offer senior deferrals charge low or even no interest rates, the utilization rate is extremely low. In FY'22, there were only 760 deferrals among the cities and towns in the Commonwealth that offered deferrals.

Even though the interest rates vary by town, all towns have one thing in common: On the day the homeowner dies, if there is no surviving spouse, the interest rate immediately leaps to 16%. This interest rate increase also applies upon the death, without surviving spouse, of a person who deferred their property taxes at the 8% interest rate when called to active duty.

This increase is not only unfair – it is unconscionable. There is no time given to empty the house, sell it, and settle the estate. This usurious rate of 16% that the heirs will be confronted with until the proceeds are available, is a deterrent to many seniors, mostly widows or widowers, who might consider deferring their taxes. It is an added source of grief for survivors of someone killed on active duty.

The right thing to do is to allow a reasonable amount of time to settle the estate. The one year called for in S1827/H2738 would be a reasonable time.

The League of Women Voters of Massachusetts, representing 44 local Leagues across the state, asks that the Joint Committee on Revenue report S1827/H2738 favorably and in a timely manner.

Thank you for your consideration.