

Three-Month Progress Report
of
the Tax Fairness Committee
to
Lancaster Select Board

October 25, 2023 – January 24, 2024
Presented February 5, 2024

On behalf of the Committee
Roy Rezac, Chair
V2.3

Introduction and Outline

i. Mission Statement Review,
Background, and Late-Breaking
News

ii. Research, Investigations, and
Determinations

iii. Near Term Proposal

iv. Our process

v. Summary

Mission Statement

May, 2023 ATM
Article 16

“To see if the Town will vote to direct the Select Board to create an Ad Hoc Committee entitled the Tax Fairness Committee, duly appointed by the Select Board, to

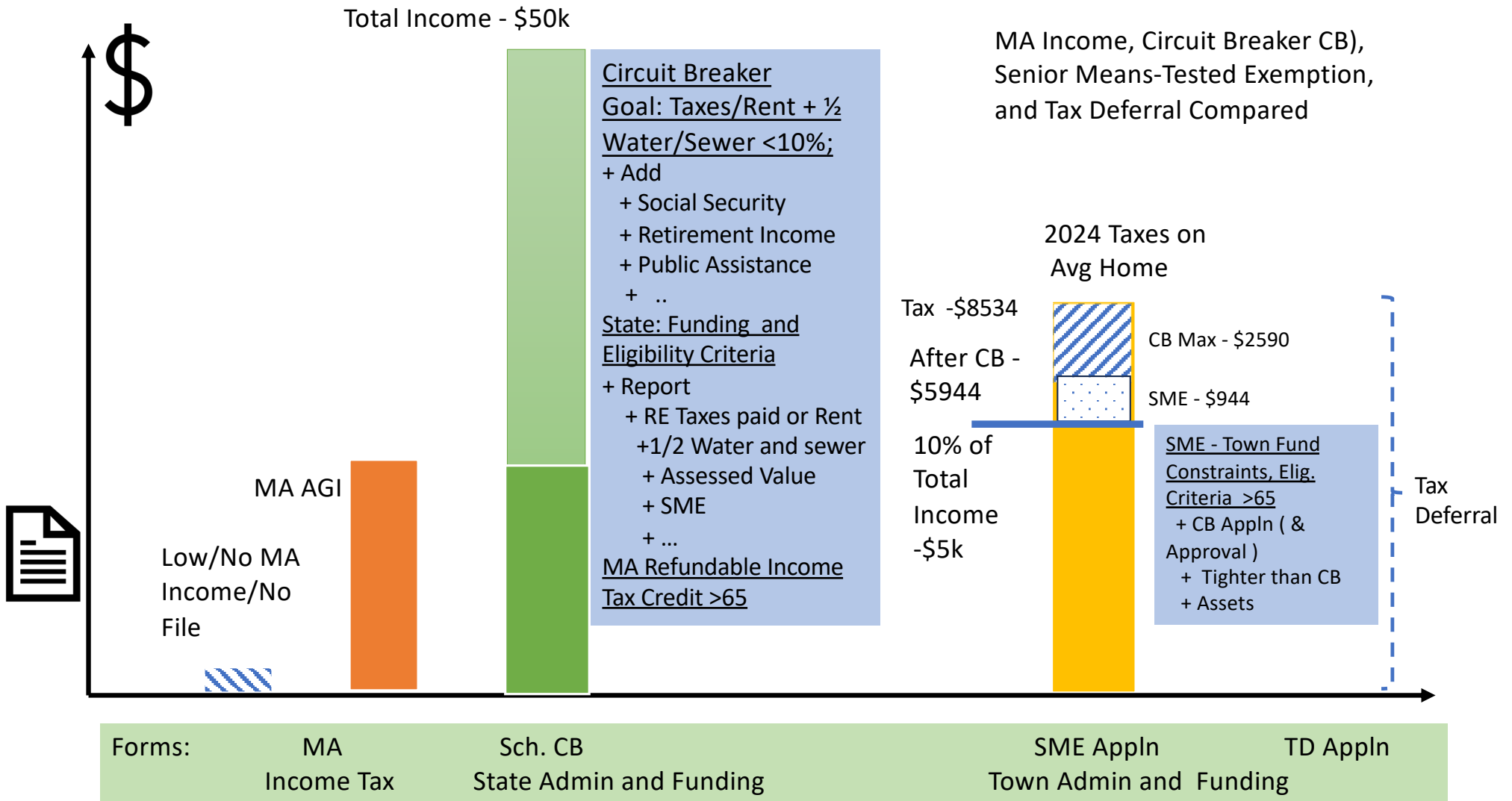
- i. consider and review
 - (a) the fair allocation of property tax burdens in Lancaster, and
 - (b) the impacts of Lancaster’s property taxes with respect to those residents and persons over the age of 65, and
2. explore the creation of a Senior Means-Tested Property Tax Exemption program; or any other action relative thereto.”


Two aspects:

1. Real Estate Tax Fairness
2. Senior Mean-Tested Exemption (SME)

Background, and Late- Breaking News


1. First Committee meeting 10/25/23
2. SME Problem statement – help keep Seniors from moving out of town due to increased taxes.
3. Due to
 1. SME implementation timeline (~ 2+ years at best)
 2. Urgency due to recent and projected tax increases
 3. SME implementation requires multiple affirmative town/legislative votes
 4. Upcoming ATM, 5/24,
 5. We
 1. Prioritized SME investigation over Tax Fairness
 1. Could we develop a well-thought-through and supported SME proposal for 5/24 ATM?
 2. Doing SME right/well was always the top priority for SME.
4. Late Breaking News – 1/19/24 The Governor is proposing a state-wide framework for Town SME programs. TBD – SME work paused.





TFC Research


Do SME Well and Timely

- Doing SME Right/well-thought-through and /supported is top priority.
 - If possible, develop SME proposal for 5/24 ATM.
 - Avoid making a 2+ year process into a 3+ year process
 - Paused Now
- 



TFC Research

Benefits for Seniors remaining in their homes

- Beneficial for Seniors remaining in their homes as long as is practical
 - To Seniors
 - Social, emotional, relational, physical, financial benefits
 - To Community
 - Social, emotional, relational
 - To the Town and taxpayers
 - avoid increased Educational Costs
- 

TFC Research

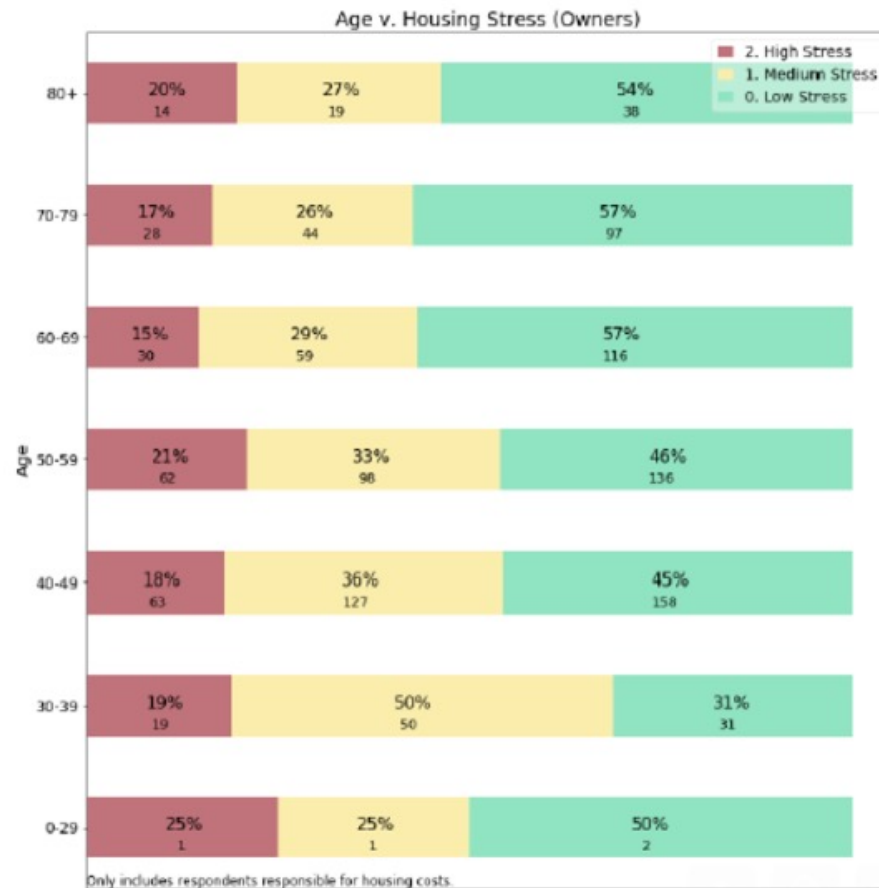
Why do Seniors Move?

- Why do Seniors generally move from their homes?
- Increased care needs
- Mobility issues
- Move Closer to family – care needs, connection, ..
- Cost of care, house – operations (utilities, repairs, taxes, etc.), ...
- 70% will require long- term care; some will move in with family.
- Down-sizing/moving when kids out of school to avoid high education taxes/ Move to Warmer Climate; "People with a Move Plan"
- **Care Needs necessitate the move**

TFC Research

High Housing
Financial Stress is
about the same at
20% across all Age
Groups

3. The Lexington MA data (2019) showing that Seniors (at least in Lexington where they did a survey) have about the same level of (cost of) Housing Stress as other age groups (about 20% across all age groups). (1/2/24)



TFC Research

Comparative Senior Financial Status

1. Seniors – as a group – are not more financially stressed regarding housing costs than other age groups.

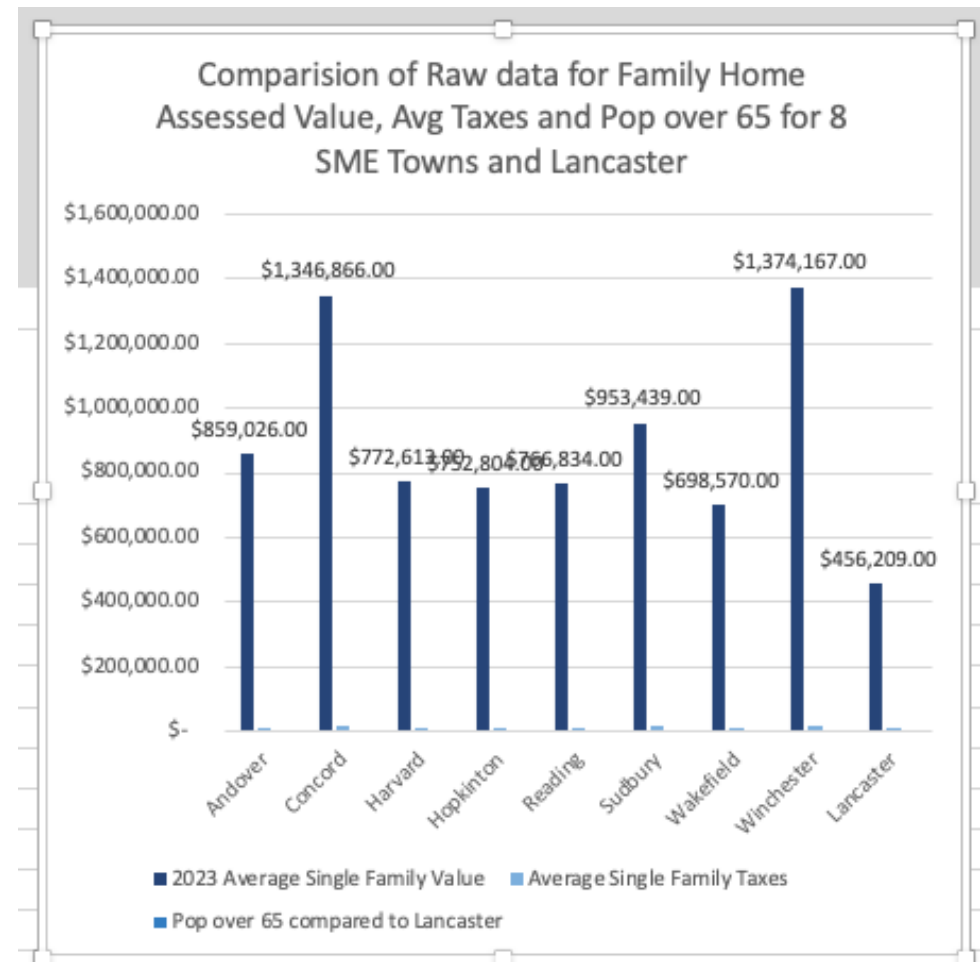
2. Questions

- How many in Lancaster would really benefit from an SME? How to gather data?
 - Conduct a Lancaster survey
 - Talk to Lexington
 - Obtain information from other towns

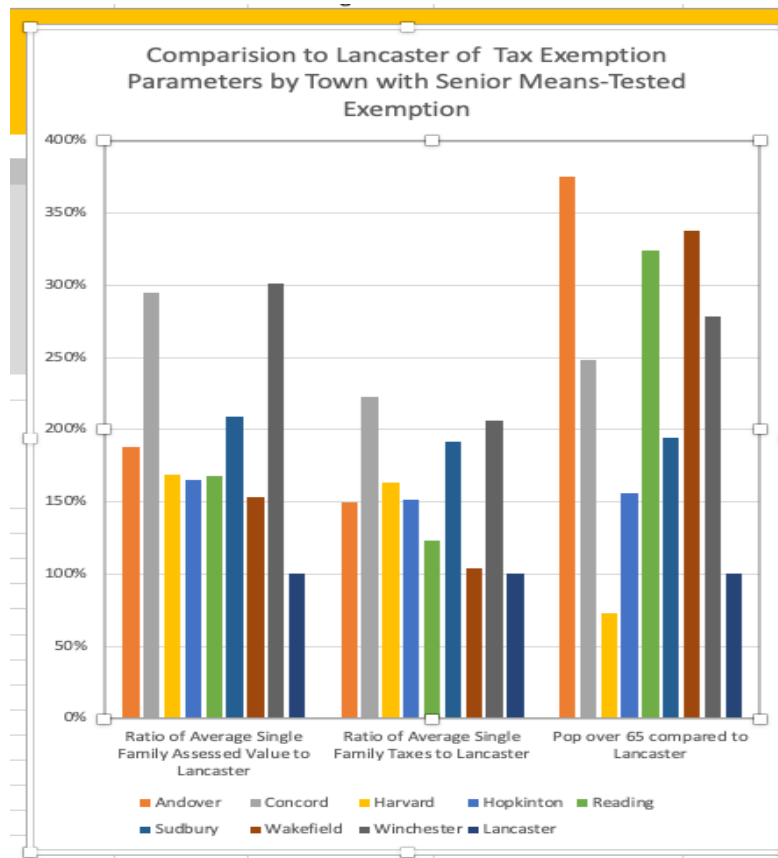
TFC Research

What can we learn from 8 Towns that have implemented an SME?

- Obtained and read their documents
- Researched their SME Parameters
- What can we learn from characteristics of those towns?



What can we learn from Normalizing (Lancaster as 100%) and Comparing selected Financial and Demographic Parameters of 8 Current towns with SME Programs with Lancaster



Observations about Financial and Demographic Information


Of the 8 towns with current SME Programs,

1. All 8 have an Average Home Assessed Value of more than 150% of Lancaster's.
2. 6 of 8 have Average Taxes more than 150% of Lancaster's.
 1. The two closest are Wakefield (104%) and Reading (122%)
3. 7 of 8 have Senior Populations (over 65) more than 150% of Lancaster's
 1. Only Harvard's is smaller

Tax Fairness Committee had formulated questions to understand this data and its implications.

- On Hold, pending the Governor's recent Proposal

TFC Research



Lancaster has different
Financial/Demographic
characteristics than 8 current
SME towns

Comparison to Current SME Towns

- Lancaster has
 - Lower home values
 - Lower taxes
 - Fewer Seniors

Investigate by

Questions to these towns

Lancaster Survey

Info from CB filing process (if possible)

Proposal
Promote the MA Circuit Breaker Tax Credit

Maximum Eligibility - Owners and renters are eligible

Max check \$2590 for 2023 tax filing

Retroactive for three years, up to ~\$6,110

No cost to Lancaster, but significant and rapid benefit to Seniors

Apply by April 14, 2024, for 2020, for maximum benefit

Working with COA, LCC, HHS to promote

Proposal

Promote the MA Circuit Breaker Tax Credit

Why are we making this proposal now?

1. Immediately Implementable
2. Broadly applicable (Owners and Renters)
3. Provides real financial benefit now

Call to Action - for Seniors

- Seniors
 - Have you filed your MA Income Tax Schedule CB for the last 3 years?
 - If yes, great!
 - If No or Not Sure
 - Then call your tax preparer soon (deadline to file by 4/14/24) and ask
 - Have you filed a MA Income Tax Schedule CB for me for the last 3 years?
 - If not, please do so asap to meet 4/14/24 deadline.
 - If don't have a Tax Preparer, contact LCC, and they will make referral.
 - Filing CB Schedule could be worth (0 - \$6110) for 4 years (2020 – 2023)
 - Ref. – Circuit Breaker Videos 2; 1. short, 2. more detailed
<https://www.youtube.com/watch?v=6CJOfKwyXj8>

Call to Action – for Family/ Friends of Seniors/(Everyone)

- Call/email Senior Family Member/Senior Friends and ask
 - Have you filed the MA Income Tax Schedule CB for the last 3 years?
 - If yes, great!
 - If No or Not Sure
 - Then call your tax preparer soon (deadline to file by 4/14/24) and ask
 - Have you filed the MA Income Tax Schedule CB for me for the last 3 years?
 - If not, please do so asap to meet 4/14/24 deadline.
 - Filing CB form could be worth (0 - \$6110) for 4 years (2020 – 2023)
 - If they don't have a Tax Preparer, contact LCC, and they will make referral,
 - Ask them to call/email others
 - Ref. – Circuit Breaker Videos 2; 1. short, 2. more detailed
<https://www.youtube.com/watch?v=6CJOOfKwyXj8>

Tax Fairness Committee Process

Good/Willing to Work Committee Members – Debra Sanders, Denise Hurley (10/23 – 1/24), Dick Trussell, Haidee LeClaire, Shelia Casey, Susan Munyon, Roy Rezac.	Broad Charter – do the right thing by the town in areas of SME and Tax Fairness	Learn from Other – 8 towns that have implemented an SME
Good process leads to good results	Do fact-based research/analysis of the problem/proposal to address.	Understand Lancaster's problem before we implement a solution.
Our meeting process Consider other sides to issue and other points of view Respect others	Working groups - 7 members enables working groups of up to 3. Divide and conquer	Help we have received from others Kate Hodges, Kelly Dolan and Caitlin Roy, COA, Lancaster Town Employees (Kathi Rocco, Mandy Cannon, Jill Hazelrigg, Bobbi Jo Williams, Marcia Sands, ...) Others - Kendra Dickinson, Nikki Kanis

Next Steps for Tax Fairness Committee

- Work with COA, HHS, LCC on CB program education, communication and Implementation
- Tax Fairness – begin discussions – generally, in Lancaster
- Tax deferral investigation
- SME analysis on hold pending Governor's proposal

Summary

Based on the broad Mission given to TFC, we have

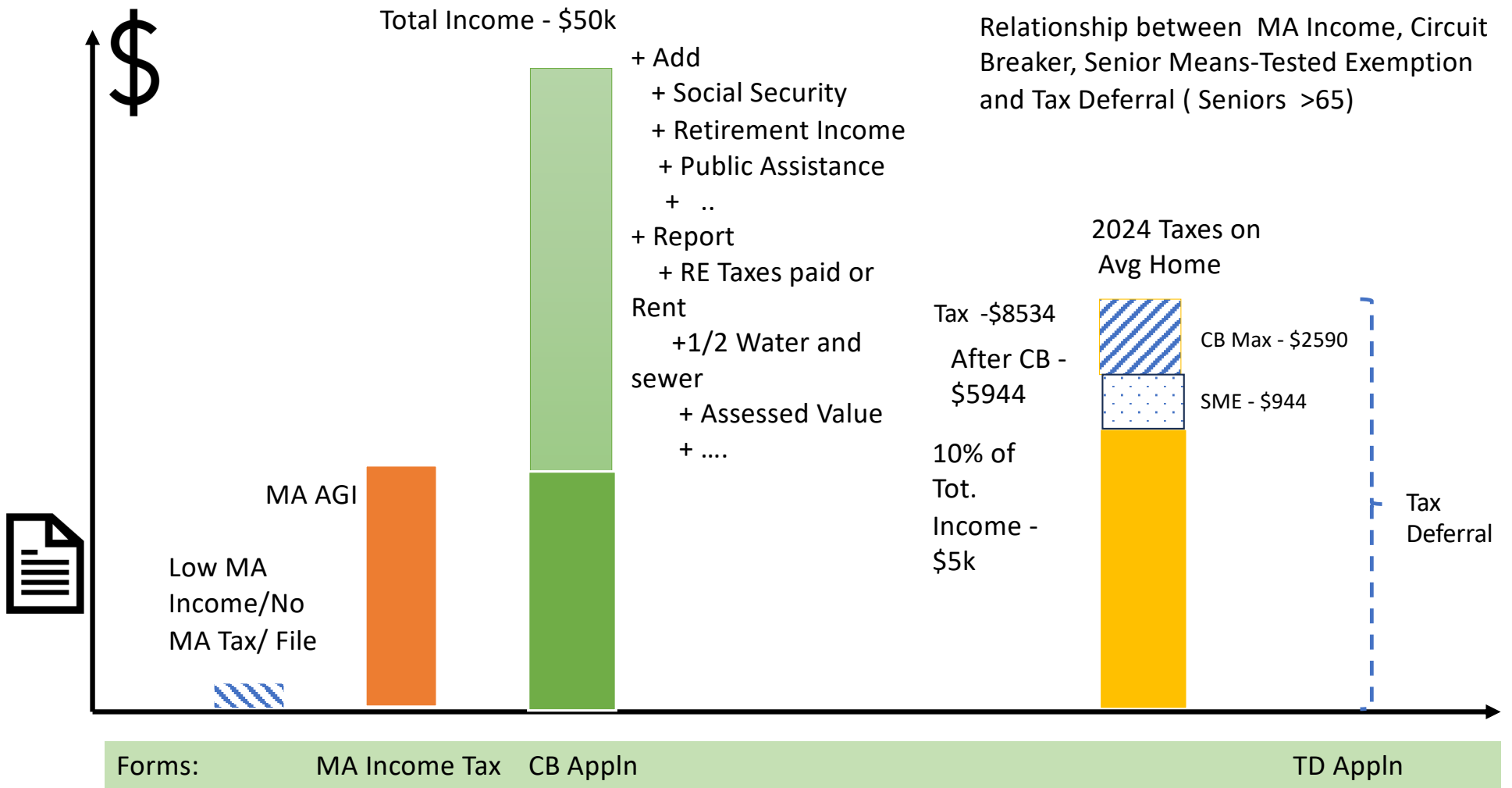
1. **Prioritized** SME analysis and near-term tax relief for Seniors
2. **Researched**
Senior Means-Tested Exemption(SME), Circuit Breaker (CB), and Tax Deferral (TD)
3. **Proposed** a near-term Circuit Breaker Program
 - Doing coordinated communication and education efforts with COA,HHS, LCC, TFC
 - The Circuit Breaker Education and Implementation program provides:
 - More money
 - To more Seniors
 - Faster
 - At No cost to Lancaster
 - Than any other approach we know.
 - **“Call to Action”** to involve all Lancastrians to “get the word out” to help Seniors.
4. **Defined** Next steps

(P.S. TFC needs one more member; please apply to Select Board.)

Backup Slides

Status of TFC regarding SME Proposal

- Do not have enough data to Propose that, Yes, Lancaster should implement an SME Program
 - Questions raised on prior slides
- Do Not have enough data to Propose that, No, Lancaster should not implement for next several years
- Given above, what should we propose to help Seniors and Lancaster while more data is gathered/recommendation made?
- (Governor's announcement of 1/19/24 would have rendered a Yes or No recommendation moot/need to be reconsidered)



Funding Request

**Joint Efforts from Council on Aging, Health and Human Services, Tax
Fairness Committee**

Request for funding to help Seniors file for Circuit Breaker

- \$5k (If needed) Supplemental Request for 2024 to help Seniors file CB Application (**before 4/14/24**)
- \$5k (if needed) in FY25 to help Seniors file CB Applications

The Team will work to get volunteer/free aid for Seniors to file
CB/State taxes

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