

COMMONLY ASKED QUESTIONS

How Are My Taxes Determined?

The amount of taxes you pay is determined by the appropriations in the annual Town budget. The Town adopts a budget that reflects what services will be provided and the cost to provide those services. After the Town adopts a budget, the amount of taxes to be raised is calculated in accordance with Proposition 2-1/2 and divided by the total taxable valuation of the Town to determine the projected single tax rate. The Board of Assessors and the Board of Selectmen hold a public hearing called a Tax Classification Hearing to determine whether or not the Town wants to shift some of the residential tax burden onto commercial properties, commonly referred to as a split tax rate resulting in commercial properties paying a higher tax rate than residential properties. The decision to have a single tax rate or a split tax rate is made by the Board of Selectmen. All budget information is forwarded to the Department of Revenue for its review and approval. The tax rate is then finalized to raise the needed dollars to pay for Town Services

What is Proposition 2 1/2?

Proposition 2 1/2 places constraints on the amount of money raised by taxes (the levy) and how much the levy can be increased from year to year. The statute provides annual increases of the levy limits as: (1) prior year levy times 2.5 percent, and (2) an additional amount based on the valuation of certain new construction and other allowable new growth. Under no condition can this allowable new growth be the result of a property revaluation and/or update. In no event may the [levy limit](#) exceed the levy ceiling of 2.5 percent of the total full and fair cash value of the Town.

What is an Assessment?

The assessed value (or assessment) is the value of property to be used for local taxation as determined by the Assessors according to Massachusetts General Laws and by Regulations set by the Commissioner of Revenue.

Why did my Assessment change?

Assessors must value all real and personal property within their communities annually to achieve full and fair cash value assessments in accordance with the requirements of Massachusetts General Laws.

Some of the Reasons for the Decrease or Increase in Property Value

- Additions
- Cyclical Inspections
- Demolition
- Fire Damage
- Market Changes
- New Construction
- Permit Inspection

How can my assessment change when I haven't done anything to my property?

Since assessments must be set at market value, rising real estate values in the Town resulted in higher assessments. As property values change in the marketplace (sales), those changes must be reflected in the assessments. All properties, however, do not change in value to exactly the same degree. Many factors influence values. Among the numerous

factors to be considered are location, condition, size, quality, number of baths, finished basement, garages, and additions.

Is the purpose of a revaluation to increase taxes?

No, the purpose of a revaluation is to make all parcels in a community fair and equitable in relation to each other, based on current market trends. Whether taxes as a whole go up or down is based more on the Town's budget than on its assessments.

What is a Revaluation?

A revaluation is an update of all assessments in the town conducted under the direction of the Board of Assessors. The Board of Assessors are state certified individuals whose duties are to discover, list and value all real and personal property in a uniform and equitable manner. The Board is not involved in the collection of property taxes.

What if I Disagree with the Assessed Value of My Property?

If your opinion of property value differs from the assessed value, you have the right to file for an abatement of taxes. Applications for abatement are available and must be filed with the Assessors' Office. When questioning the assessed value, ask yourself these questions: Is the data correct, including the sketch, which is outside dimensions? Is the value in line with comparable houses on the street? Is the value in line with comparable sale prices in the neighborhood? *Please note:* The calendar year as the basis of assessments is the fiscal year minus two; fiscal 2013 is based upon sale and market activity during calendar 2010-2011. Keep in mind what's important: comparable sale prices, comparable assessments, style, neighborhood, building area and lot area are the most critical factors in the valuation process. There is a variety of information available to help you determine whether your assessment is fair and equitable.

State law puts the burden of proof on the property owner to show that the assessment is incorrect. Stating the property taxes are too high is not relevant. You should establish in your mind what you think your property is worth and why, what did you consider in your decision?

When can I apply for an abatement on my Real or Personal Property?

Applications must be filed with the Board of Assessors not later than the due date of the first actual tax payment for the fiscal year. The first actual tax payment is the third quarter tax payment and is usually due on February 1st.

Who may file an application for abatement?

You may file an application if you are: 1) the assessed or subsequent (acquiring title after January 1st) owner of the property; 2) the owner's administrator or executor; 3) a tenant paying rent who is obligated to pay more than one-half of the tax; 4) a person owning or having an interest in or possession of the property; or, 5) a mortgagee if the assessed owner has not applied. In some cases, you must pay all or a portion of the tax before you can file.

If I apply for an abatement, do I still have to pay my taxes on time?

Filing an application does not stay the collection of your taxes. In some cases, you must pay the tax when due to appeal the assessors' disposition of your application. Failure to pay the tax assessed when due may also subject you to interest charges and to collection action. To avoid any loss of rights or additional charges, you should pay the tax as assessed. If an abatement is granted and you have already paid the entire year's tax as abated, you will receive a refund of any overpayment.

What happens after I submit my application for abatement to the Assessors?

Upon applying for an abatement, you may be asked to provide the Assessors with written information about the property and to permit them to inspect it. Failure to provide the information or to permit an inspection within thirty (30) days of the request may result in the loss of your appeal rights. The Assessors have three (3) months from the date your application is filed to act on it unless you agree in writing before that period expires to extend it for a specific time. If the Assessors do not act on your application within the original (or extended) period, it is deemed denied. You will be notified in writing whether an abatement has been granted or denied.

May I appeal a denial by the Assessors to grant my application for an abatement?

Yes, your appeal may be made to the Appellate Tax Board in Boston. The appeal must be filed within three (3) months of the date your application was denied by vote of the Assessors or within three (3) months of the date your application was deemed denied, whichever is applicable. With certain exceptions, you must also pay at least one-half the tax on personal property and, if the real property tax for the fiscal year is more than \$3,000, all of the tax on real property without incurring interest on any installment payment in order for the Appellate Tax Board to hear the appeal. The Assessors may grant an abatement in final settlement of your application during the period for filing an appeal. However, if a settlement is not reached and an abatement not granted during that period, you must file a timely appeal for the Assessors to be able to take any further action on your application. The Appellate Tax Court is operated like a court of law with a hearing officer and sworn testimony. Taxpayers (the appellants) must present a convincing case before the hearing officer with the support of their value conclusions. The mailing address and telephone number for the Appellate Tax Board is as follows:

Commonwealth of Massachusetts
Appellate Tax Board
Saltonstall Building
100 Cambridge Street, Second Floor, Suite 200
Boston, MA 02114
617-727-3100

What Types of Exemptions (Reduction Of Real Estate Taxes) Does The Town of Hanover Offer?

A variety of exemptions are available to reduce property tax obligations for certain qualifying taxpayers: elderly persons, blind persons, disabled veterans, surviving spouses, or orphaned minor children, surviving spouses or orphaned minors of a police officer or fire fighter killed in the line of duty and extreme hardship. Also available is a tax deferral for persons 65 years of age or over and a temporary hardship tax deferral for anyone who meets the qualifications of the statute. Contact the Assessors' Office or visit our website if you have any questions on the requirements for these exemptions and to find out if you qualify. The qualifying date for these exemptions is July 1, the first day of the fiscal year. You must own, occupy and otherwise qualify for the exemption as of July 1. Applications must be filed within three months from the mailing of the first actual tax bill. However, the Assessors strongly advise that applications be filed as soon as possible after July 1 so that they can be processed early and be ready to be reflected on the first half of your actual tax bill. If you received an exemption in the previous fiscal year, the assessors will mail an application to you in July of each year so that you can come in and file as soon as possible.

What is the Community Preservation Tax?

For residential property owners, the surcharge is calculated as 3% of the product of the net assessed property value and the tax rate. The net assessed property value is the total property value annually established by the Board of Assessors less the \$100,000 exemption in value adopted by the Town.

How is the Community Preservation Tax Calculated?

Property Type	Assessed Value	CPA Residential Exemption	Tax Rate per \$1000	CPA Surcharge	Calculation
Residential	\$250,000.00	\$100,000.00	\$15.55	\$69.98	$=(\$250,000 - \$100,000) \times (\$15.55/1000) \times 3\%$
Commercial	\$900,000.00	*N/A	\$16.50	\$445.50	$=\$900,000 \times (\$16.50/1000) \times 3\%$

Example

Are there any exemptions to the CPA surcharge?

All Seniors and Veterans who have who have applied for and been granted a Senior or Veteran exemption, are automatically exempted from the CPA tax. Property owned and occupied by person(s) who qualify for the low/moderate income CPA exemption: a full exemption from the surcharge. To receive this exemption, a taxpayer must submit the CPA Low/Moderate Income Exemption Application and must meet the income guidelines established by the State for the size and type of household.

*For Commercial/Industrial properties there are no exemptions.

About the Community Preservation Act (CPA)

The Community Preservation Act (CPA) is a tool to help communities preserve open space and historic sites, and create affordable housing and recreational facilities.