



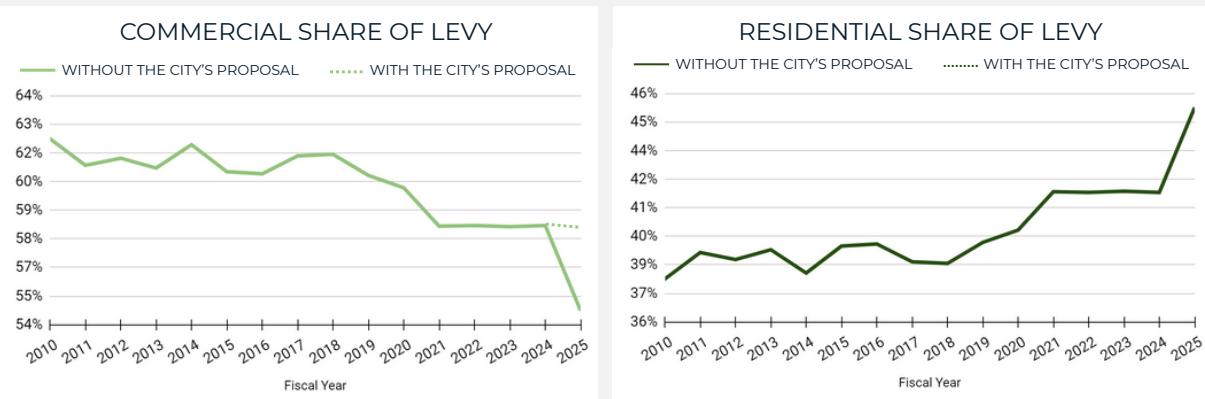
## SUPPORT AMENDMENT 6 ON SENATE BILL 2899

The Massachusetts State Senate will be debating this amendment to provide property tax relief to Boston residents, among other pieces of legislation, on **Thursday, January 15 during their session that begins at 1:00 p.m.** Please contact your state senators before then to convey your support.

### BACKGROUND ON PROPERTY TAXES

Like all municipalities in the Commonwealth, Boston's city services are largely funded by property taxes, which are governed by state law. Municipal governments like Boston do not have the ability to change these parameters without approval from the State.

Because of Proposition 2 1/2, over the last two years, as commercial property values decline due to larger macroeconomic trends, a greater share of the tax burden has shifted to residents.



In 2025, tax bills for the average single family home increased by 10.4% or \$575 year-over-year, and without passage of this home-rule petition, the average increase in 2026 will be 13% or \$780. Meanwhile, the tax bill for the average class A office tower is projected to decrease by 4.4%, or \$210,000. Under the City's proposal, this tax bill would still drop by over \$150,000, a 2% drop from 2025, while residents would be spared from a tax spike.

Without action from the Legislature, the share of the City's tax levy paid by commercial property owners will fall to 53.9%, the lowest level since Proposition 2 1/2 passed 45 years ago, with residential taxpayers again shouldering the full impact of the change. As a result, residential property tax bills have increased significantly.

### THE CITY OF BOSTON'S PROPOSAL

The City of Boston proposed a temporary change to state tax law to address this dynamic and provide greater stability for all taxpayers. The proposal temporarily increases the maximum amount of Boston's tax levy that can be borne by commercial taxpayers, shifting a greater share of the tax burden on to commercial properties and away from residential properties. The proposal does not generate any additional tax revenue for the City or cost any money to implement, and sunsets after three years.





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### THE CITY OF BOSTON'S PROPOSAL (CONTINUED)

#### Timeline of Events

- April 2024 - The home rule petition is filed with the Boston City Council.
- April & May 2024 - The first City Council hearings are held.
- June 2024 - The City Council passes the proposal.
- July 2024 - The Legislature's Joint Committee on Revenue holds a hearing.
- July 30, 2024 - The House passes the proposal.
- October 2024 - Mayor Wu hosts three town halls on the proposal.
- October 23, 2024 - After negotiating with Senate leadership and leaders from the business community, a deal on compromise legislation is struck.
- October 2024 - Mayor Wu files a second home rule petition reflecting this compromise and the City Council passes the proposal.
- November 2024 - The Legislature holds a hearing on this proposal and it passes in the House.
- December 2024 - The proposal fails to pass in the Senate after being blocked by a single senator.
- January 2025 - Mayor Wu refiles the home rule petition.
- February 2025 - The City Council passes the proposal for a third time.
- March 2025 - The House refers the proposal to the Joint Committee on Revenue. Now, nearly a year later, the Senate has not concurred with that referral and it remains in the Senate Clerk's office.

All together, the City Council discussed the proposal eight times including in meetings and hearings, Mayor Wu hosted three town halls (one virtual, one in Charlestown, and one in West Roxbury), and two legislative hearings were held at the State House on this proposal.

### PROPOSED ALTERNATIVES COST CITY FUNDING FOR SERVICES

Two proposals have been offered by the State Senate as alternatives to the City's tax shift proposal.

Unlike the City's proposal which addresses the structural challenges in state tax law and provides stability for all taxpayers over a short period of time, both Senate bills would create significant year-to-year volatility for eligible taxpayers. Also, unlike the City's proposal which is revenue- and cost-neutral to the City, both Senate bills would require the City to take from critical funding for city services in order to implement them.

The City's proposal is rooted in a proven public policy. The alternative proposals would be costly and administratively burdensome for any municipality to implement and could have significant unknown impacts on City finances and the economy.





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### FISCAL MANAGEMENT IN BOSTON

Boston has a long history of strong and disciplined fiscal management. The City regularly manages its budgets and lives within its means, consistently maximizing the tax levy each year in order to maintain critical city services, but never seeking a voter-approved property tax override, unlike many other communities in Massachusetts.

As a result of this strong fiscal management and stable revenue sources, the City has received a AAA/Aaa from both Moody's and S&P for the last twelve years.

