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AMESBURY CITY CLERK

**CITY OF AMESBURY  
IN THE YEAR TWO THOUSAND SIXTEEN**

**SPONSORED BY: Councilor Steven J. Stanganelli BILL No. 2016-**

**Resolution to Support Amending MGL Ch. 59, Section 5 to Provide for  
Exclusion of Tax on Exempted Portion of Personal Property**

**Summary:** To promote economic development and provide for more tax equity by requesting amendment of current laws related to personal property tax assessment by exempting a portion of property value from assessment and tax calculation

Be it resolved by the Municipal Council assembled, and by the authority of the same as follows:

*This Municipal Council requests that the state legislators representing Amesbury in the state Senate and House of Representatives sponsor a bill or amendment to change MGL Ch. 59, Section 5, Part 54 to allow cities and towns in the Commonwealth to exempt from personal tax assessment that portion of personal property that is equal to the exemption limit established by each respective municipal legislative body. This amount will be exempted from the total assessed value of personal property submitted according to procedures established in MGL Ch. 59.*

*In effect, this change will lower the assessed property tax on individuals, businesses or entities subject to taxation within a city or town by that amount chosen as its exemption amount. According to MGL Ch. 59, Section 5, Part 54, each city and town may choose to exempt up to \$10,000 in personal property from taxation.*

*But as currently drafted, if an individual, business or entity is deemed to have personal property valued in excess of any applicable exemption, then the entire amount from the first dollar in value is subject to the municipality's applicable tax rate. Adopting this change will provide for more tax equity and incorporate the principles for income exemption already in effect for both federal and state income tax calculation. Further, this change will promote economic development by promoting young and small business enterprises which are net job generators.*

*National Bureau of Economic Research Working Paper No. 16300, Who Creates Jobs? Small vs Large vs Young by Haltiwanger, Jarmin and Miranda reiterates Census Bureau data from 1992 to 2005 that smaller companies created more jobs than larger enterprises. This research further demonstrates that young companies are the real driver of disproportionate job growth in the economy.*

*Given the fact that smaller and newer enterprises typically have higher cash outflow relative to inflow during their formative years, this change in property tax calculation and exemption will help lower operating costs for businesses.*

*National Bureau of Economic Research Working Paper:  
<http://www.nber.org/digest/feb11/w16300.html>*