



# City of Woburn, Massachusetts

## Veterans' Tax Work-Off Program Policy

**Summary:** M.G.L. Part 1, Title IX, Chapter 59, Section 5N became effective in the Commonwealth on May 31, 2012. The Woburn City Council approved, on January 15<sup>th</sup>, 2013, the following:

The City of Woburn hereby accepts Massachusetts General Law Chapter 59, Section 5N, in order to authorize Woburn to establish a program to allow veterans, as defined in clause *M.G.L. ch.4, s.7, clause 43 (Massachusetts General Law Chapter 4, Section 7, Clause 43)*, to volunteer to provide services in exchange for a reduction in the real estate property tax obligations of that veteran on the veteran's tax bills, which reduction shall be in addition to any exemption or abatement to which that person is otherwise entitled.

In any city or town which accepts this section, the board of selectmen of a town, or in a municipality having a town council form of government, the town council or the mayor, with the approval of the city council in a city, may establish a program to allow veterans, as defined in clause Forty-third of section 7 of chapter 4, to volunteer to provide services to that city or town. In exchange for such volunteer services, the city or town shall reduce the real property tax obligations of that veteran on the veteran's tax bills and that reduction shall be in addition to any exemption or abatement to which that person is otherwise entitled; provided, however, that person shall not receive a rate of, or be credited with, more than the current minimum wage of the commonwealth per hour for the services provided pursuant to that reduction; and provided further, that the reduction of the real property tax bill shall not exceed \$1,000 in a given tax year. It shall be the responsibility of the city or town to maintain a record for each taxpayer including, but not limited to, the number of hours of service and the total amount by which the real property tax has been reduced and to provide a copy of that record to the assessor in order that the actual tax bill reflect the reduced rate. A copy of that record shall also be provided to the taxpayer prior to the issuance of the actual tax bill. The cities and towns shall have the power to create local rules and procedures for implementing this section in a way that is consistent with the intent of this section. Nothing in this section shall be construed to permit the reduction of workforce or otherwise replace existing staff.

The amount by which a person's property tax liability is reduced in exchange for the volunteer services shall not be considered income, wages or employment for purposes of taxation as provided in chapter 62, for the purposes of withholding taxes as provided in chapter 62B, for the purposes of workers' compensation as provided in chapter 152 or any other applicable provisions of the General Laws. While providing such volunteer services, that person shall be considered a public employee for the purposes of chapter 258 and those services shall be deemed employment for the purposes of unemployment insurance as provided in chapter 151A.

A city or town, by vote of its legislative body, subject to its charter, may adjust the exemption in this clause by: (i) allowing an approved representative for persons physically unable to provide such services to the city or town; or (ii) allowing the maximum reduction of the real property tax bill to be based on 125 volunteer service hours in a given tax year, rather than \$1,000.



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### Eligibility Requirements:

- Must be a veteran as defined in *M.G.L. ch.4, s.7, clause 43 (Massachusetts General Law Chapter 4, Section 7, Clause 43)* and MUST have an HONORABLE discharge.
- Must be a resident of the City of Woburn.
- Must own and live in the home for which the veteran pays taxes.
- Must have skills appropriate for the position.
- A disabled veteran that is unable to work in any of the available positions, due to their disability, may request a proxy to perform the work for them.
- Must pass a CORI and SORI (criminal \* sex offender) background check.
- Applicant to complete [IRS Form W-4](#), [MA Form M-4](#) and [I-9 Employment Eligibility Verification](#).

### Application Process:

- The applicant must complete the Tax Work Program application
- The applicant must be validated by the VSO/Veterans' Agent of their veteran status for being deemed eligible to participate in the Veterans' Property Tax Work-Off Program.
- The applicant, if disabled, may appoint a volunteer to work on their behalf. The VSO will verify and approve this request and the veteran's status on the Property Tax Work-Off Veterans' Disability Verification form.

### Selection Process:

- City Departments must submit a request, for a Tax Work-Off Worker, to the program's coordinator.
- The program coordinator will select applicants, based on their skills, and pair them up with a department in need of a tax Work-Off worker with their skills.
- For the program's introduction, we are starting off with ten (10) positions available to veterans, but depending on the interest and need for tax work-off workers, this is subject to change.

### Keeping track of Hours Worked:

- Each tax work-off worker and the department head(s) shall be responsible for tracking their own hours worked by logging in the hours worked on their timesheet and then having the department, which they are assisting, sign off on the timesheet upon completion of a day's work.

### Completion of Individual Tax Work-Off Worker's Task:

- Upon completion of total number of hours needed to be met by the tax work-off worker, in a given tax year, the tax work-off worker must submit completed paperwork, with documentation of hours worked, to the city's VSO.

### Payment Processing:

- The VSO shall submit a check request to the Auditing Department. Once the check has been issued, the VSO will notify the program recipient and schedule an appointment with them to come into the office and sign the check over to the City's Treasurer/Tax Collector to be applied to the veterans' property tax bill. All monies received from this program may ONLY be used to reduce the tax liability due to the veterans' property tax account.



## **City of Woburn, Massachusetts**

### **Veterans' Tax Work-Off Program**

#### **MANDATORY OBRA/SMART PLAN DEDUCTION**

**Under the regulations of the IRS, any individual participating in the Veterans Tax Work-off Program, which provides a reduction in property tax in return for their volunteer services, must have Federal and Medicare taxes withheld.**

**As the City of Woburn is a municipal employer, we do not deduct Social Security but are required to withhold OBRA, a retirement withholding of 7.5% of all earnings. The up side to this is unlike Social Security, you may request a refund of all of the monies contributed to your account once you cease to be employed by the city.**

**Once you complete your hours and receive your tax write off you may resign from the program. Upon the Veteran's Office receiving written notice of resignation, we will then forward the same to HR and they will trigger a termination of your OBRA active status. The (ex)employee then must submit the OBRA request for distribution directly to the city's retirement services for their OBRA refund.**