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→ Your Nonprofit Organization May Owe Property Taxes

Massachusetts law provides for an exemption from local property taxes on real estate and personal property (equipment, furniture, etc.) for certain qualifying nonprofit organizations. Not all organizations qualify for this exemption, and not all properties of qualified organizations are eligible for exemption. By law, the burden of establishing entitlement to an exemption falls upon the person or organization seeking the exemption.

In order to be exempt, you must file for exemption by filing a Form 3ABC Return of Property Held for Charitable Purposes. A form should be filed in each town or city where the property is located. This form requests information such as name and address of your organization, summarized financial information (including the value of furniture, equipment, collections, etc.) and a list of real estate and motor vehicles. Failure to file this form could result in your organization being taxed on its real estate and personal property at the normal tax rates.

These forms are due March 1 of each year for any organization that owns real estate and personal property as of January 1 of that year. A copy of your most recently filed Form 990 and Form PC must accompany the return.

All nonprofit organizations that have Massachusetts locations should be filing a Form 3ABC unless they are specifically exempt by law (such as Fraternal and Veterans organizations) or know



that they do not qualify for the exemption. If not already on your tracking lists, you should add the Form 3ABC with a due date of March 1.

Failure to file the form may result in your organization being taxed on its real estate and personal property. Many organizations have recently received letters from their taxing authority stating that they need to file a Form 3ABC or they will have to pay tax. Taking action now will help prevent your organization from paying unnecessary taxes.