



City of Cambridge

Executive Department

YI-AN HUANG
City Manager

CMA 2026-184
IN CITY COUNCIL
June 22, 2026

To the Honorable, the City Council:

For Fiscal Year 2021, the City Council voted to approve a Home Rule Petition establishing a personal property tax exemption for accounts with an assessed value equal to or less than \$20,000.00. This petition was subsequently enacted as a special act by the Legislature and signed into law by the Governor. Following a recent review of the City of Cambridge's current personal property accounts, I am writing to propose a new Home Rule Petition that would increase this exemption threshold to accounts equal to or less than \$30,000.00 in assessed value for Fiscal Year 2027 and onward.

This recommendation is a key component of the City's ongoing efforts to support local commerce through a combination of small business initiatives, grants, workshops, and targeted tax relief. Small businesses in Cambridge are currently facing volatile economic conditions and persistent inflationary pressures, and this proposed measure offers them direct, strategic financial relief. Furthermore, expanding this exemption will meaningfully decrease the administrative burden on both our local business owners and the City's Assessing and Finance Departments.

To analyze the potential impact of this change, we utilized data from Fiscal Year 2026. At FY2026 tax rates, the current \$20,000.00 exemption saves a small business \$281.40, while the proposed \$30,000.00 exemption would increase those savings to \$422.10. The City currently maintains 2,574 personal property accounts. Under the existing framework, 60 percent of these accounts qualify for the exemption, representing a mere 0.37 percent of the City's total \$2.556 billion personal property valuation. Raising the threshold to \$30,000.00 would expand coverage to 65 percent of all accounts. However, it would still only impact 0.49 percent of the City's overall personal property valuation. This indicates a substantial, positive outcome for a greater number of local businesses with a negligible impact on the City's tax base.

Therefore, I respectfully recommend that the City Council vote to request authority from the state legislature to implement this threshold increase. Attached for your review and consideration is the formal form of vote and the proposed Home Rule Petition for submission to the Legislature.

Very truly yours,

Yi-An Huang
City Manager





City of Cambridge

Agenda Item Number 18
IN CITY COUNCIL
June 22, 2026

ORDERED: That the City Council petition the General Court of the Commonwealth of Massachusetts to enact the attached Home Rule Petition entitled: AN ACT AUTHORIZING THE CITY OF CAMBRIDGE TO ALLOW FOR A PERSONAL PROPERTY TAX EXEMPTION OF \$30,000.00 OR LESS.

AN ACT AUTHORIZING THE CITY OF CAMBRIDGE TO ALLOW FOR A
PERSONAL PROPERTY TAX EXEMPTION OF \$30,000.00 OR LESS

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding the provisions of section 5 of chapter fifty-nine of the general laws, clause 54th, or any other general or special law, rule or regulation to the contrary, the City of Cambridge shall be permitted to allow for exemption from taxation of personal property not in excess of \$30,000.00 of value.

SECTION 2. This act shall take full effect upon passage.

*To the Honorable Senate and House of Representatives of The Commonwealth of
Massachusetts in the General Court Assembled.*

*The undersigned, City Councillors of Cambridge, respectfully petition for the passage of the
accompanying bill or resolve, and/or for legislation.*

AN ACT AUTHORIZING THE CITY OF CAMBRIDGE TO ALLOW FOR A PERSONAL PROPERTY TAX
EXEMPTION OF \$30,000.00 OR LESS.
