

FISCAL YEAR 2012
CLASSIFICATION HEARING
November 28, 2011

Summary of Options

Single tax rate	3
Open Space Discount	4
Shifting the tax burden (split tax rate)	5
Residential Exemption	9
Small Commercial Exemption	10
Profile of Single Family Residences	13
Residential VS CIP Valuation History	14
Average Single Family Residence Values By Fiscal Year	15

SINGLE TAX RATE

This is the easiest option to explain and to understand. The tax rate setting process is a result of simply dividing the total tax levy by the total valuation of the town and multiplying by 1000.

For fiscal 2012 our tax levy, (the amount of the total budget that must be raised by taxation) is \$36,528,178.91. Total valuation is \$1,998,259,000

$$\frac{36,608,104.91}{1,998,259,000} = .01832 \times 1000 = \$18.32$$

The tax rate of \$18.32 is then applied to the full and fair value of all properties in all classes to determine the taxes due.

The other options that are available offer the community the opportunity to tax different classes at different tax rates.

OPEN SPACE DISCOUNT

The Open Space Discount is a process which allows cities and towns to grant a tax break to those properties that are classified as “open space”.

The Department of Revenue has described open space as “land which is not held for income but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public”.

Historically the Town of Holliston has not recognized the classification of “open space” as such.

The Board of Assessors has consistently encouraged classification under Chapter 61A (Agricultural and Horticultural) or Chapter 61 (Forestry) which enables the property owner greater discount of taxes and gives the Town the benefit of at least a five (Ch 61A) or ten (Ch 61) acre minimum lot size that is actively devoted to the type of classification. In addition to these benefits the Town has the right of first refusal to purchase any lands classified under these acts.

The Board of Assessors does not recommend an open space discount.

SHIFTING THE TAX BURDEN TO THE C.I.P CLASSES

The classification amendment allows towns to shift a greater share of the tax burden to the Commercial, Industrial, Personal Property classes (C.I.P.)

There are limits as to how great that shift can be and in Holliston we are allowed to shift by no more than 150%. The impact from this shift on the various classes will vary dependent upon their percentage of the total value. The lower the percentage of the C.I.P the greater the increase in the tax burden assuming the maximum shift is applied. The choices available range from a 1% shift to a 50% shift.

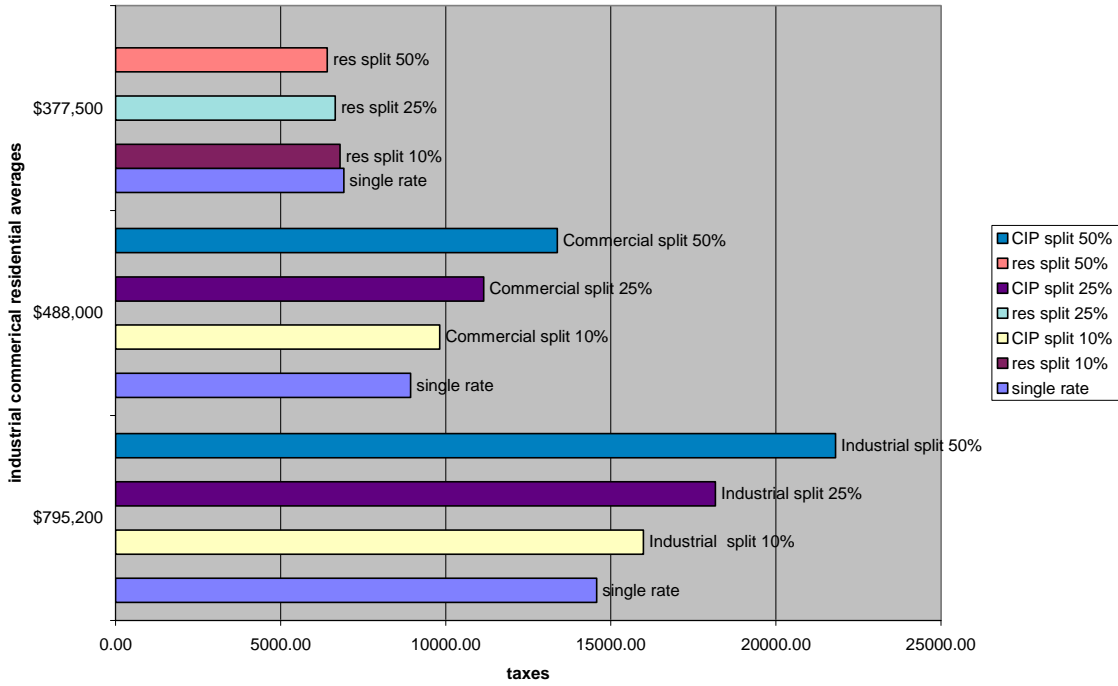
Included is a spreadsheet that shows the resulting tax rates as well as the tax dollar effects from all of these choices as applied to the average residential value, the average commercial value, and the average industrial value.

The Board of Assessors does not recommend a residential/CIP rate shift.

		single rate	split rate 10%		split rate 25%		split rate 50%	
		\$18.32	\$18.02	\$20.11	\$17.63	\$22.85	\$16.99	\$27.42
			residential	CIP	residential	CIP	residential	CIP
average industrial value	\$795,200	\$14,568.06	\$15,991.47		\$18,170.32		\$21,804.38	
average commercial value	\$488,000	\$8,940.16	\$9,813.68		\$11,150.80		\$13,380.96	
single family average	\$377,500	\$6,915.80	\$6,802.55		\$6,655.33		\$6,413.73	
INDUSTRIAL CHG/%				\$1,423.41		\$3,602.26		\$7,236.32
COMMERCIAL CHG/%				\$873.52		\$2,210.64		\$4,440.80
RES CHG/%			-\$113.25		-\$260.48		-\$502.08	

For each percent change there is a disproportionate tax increase to the average CIP valued property compared to the savings the average residential property would receive.

Classification split impact to classes



Impact of split rate based on shift up to 1.50.

PROPERTY VALUE	CIP Shift	Res Factor	Estimated Tax Rates				TAX		RES SHIFT DIFFERENCE	CIP SHIFT DIFFERENCE
			Res	Com	Ind	PP	Res	CIP		
100,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	1,832.00	1,832.00		
100,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	1,825.00	1,846.00	\$ (7.00)	\$ 14.00
100,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	1,815.00	1,919.00	\$ (17.00)	\$ 87.00
100,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	1,802.00	2,011.00	\$ (30.00)	\$ 179.00
100,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	1,789.00	2,102.00	\$ (43.00)	\$ 270.00
100,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	1,776.00	2,194.00	\$ (56.00)	\$ 362.00
100,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	1,763.00	2,285.00	\$ (69.00)	\$ 453.00
100,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	1,751.00	2,376.00	\$ (81.00)	\$ 544.00
100,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	1,738.00	2,468.00	\$ (94.00)	\$ 636.00
100,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	1,725.00	2,559.00	\$ (107.00)	\$ 727.00
100,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	1,712.00	2,651.00	\$ (120.00)	\$ 819.00
100,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	1,699.00	2,742.00	\$ (133.00)	\$ 910.00
200,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	3,664.00	3,664.00	\$ -	\$ -
200,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	3,650.00	3,692.00	\$ (14.00)	\$ 28.00
200,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	3,630.00	3,838.00	\$ (34.00)	\$ 174.00
200,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	3,604.00	4,022.00	\$ (60.00)	\$ 358.00
200,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	3,578.00	4,204.00	\$ (86.00)	\$ 540.00
200,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	3,552.00	4,388.00	\$ (112.00)	\$ 724.00
200,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	3,526.00	4,570.00	\$ (138.00)	\$ 906.00
200,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	3,502.00	4,752.00	\$ (162.00)	\$ 1,088.00
200,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	3,476.00	4,936.00	\$ (188.00)	\$ 1,272.00

PROPERTY VALUE	CIP Shift	Res Factor	Estimated Tax Rates				TAX		RES SHIFT DIFFERENCE	CIP SHIFT DIFFERENCE
			Res	Com	Ind	PP	Res	CIP		
200,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	3,450.00	5,118.00	\$ (214.00)	\$ 1,454.00
200,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	3,424.00	5,302.00	\$ (240.00)	\$ 1,638.00
200,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	3,398.00	5,484.00	\$ (266.00)	\$ 1,820.00
300,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	5,496.00	5,496.00	\$ -	\$ -
300,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	5,475.00	5,538.00	\$ (21.00)	\$ 42.00
300,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	5,445.00	5,757.00	\$ (51.00)	\$ 261.00
300,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	5,406.00	6,033.00	\$ (90.00)	\$ 537.00
300,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	5,367.00	6,306.00	\$ (129.00)	\$ 810.00
300,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	5,328.00	6,582.00	\$ (168.00)	\$ 1,086.00
300,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	5,289.00	6,855.00	\$ (207.00)	\$ 1,359.00
300,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	5,253.00	7,128.00	\$ (243.00)	\$ 1,632.00
300,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	5,214.00	7,404.00	\$ (282.00)	\$ 1,908.00
300,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	5,175.00	7,677.00	\$ (321.00)	\$ 2,181.00
300,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	5,136.00	7,953.00	\$ (360.00)	\$ 2,457.00
300,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	5,097.00	8,226.00	\$ (399.00)	\$ 2,730.00
400,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	7,328.00	7,328.00	\$ -	\$ -
400,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	7,300.00	7,384.00	\$ (28.00)	\$ 56.00
400,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	7,260.00	7,676.00	\$ (68.00)	\$ 348.00
400,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	7,208.00	8,044.00	\$ (120.00)	\$ 716.00
400,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	7,156.00	8,408.00	\$ (172.00)	\$ 1,080.00
400,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	7,104.00	8,776.00	\$ (224.00)	\$ 1,448.00
400,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	7,052.00	9,140.00	\$ (276.00)	\$ 1,812.00
400,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	7,004.00	9,504.00	\$ (324.00)	\$ 2,176.00
400,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	6,952.00	9,872.00	\$ (376.00)	\$ 2,544.00
400,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	6,900.00	10,236.00	\$ (428.00)	\$ 2,908.00
400,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	6,848.00	10,604.00	\$ (480.00)	\$ 3,276.00
400,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	6,796.00	10,968.00	\$ (532.00)	\$ 3,640.00
500,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	9,160.00	9,160.00	\$ -	\$ -
500,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	9,125.00	9,230.00	\$ (35.00)	\$ 70.00
500,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	9,075.00	9,595.00	\$ (85.00)	\$ 435.00
500,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	9,010.00	10,055.00	\$ (150.00)	\$ 895.00
500,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	8,945.00	10,510.00	\$ (215.00)	\$ 1,350.00
500,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	8,880.00	10,970.00	\$ (280.00)	\$ 1,810.00
500,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	8,815.00	11,425.00	\$ (345.00)	\$ 2,265.00
500,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	8,755.00	11,880.00	\$ (405.00)	\$ 2,720.00
500,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	8,690.00	12,340.00	\$ (470.00)	\$ 3,180.00
500,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	8,625.00	12,795.00	\$ (535.00)	\$ 3,635.00
500,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	8,560.00	13,255.00	\$ (600.00)	\$ 4,095.00
500,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	8,495.00	13,710.00	\$ (665.00)	\$ 4,550.00
650,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	11,908.00	11,908.00	\$ -	\$ -
650,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	11,862.50	11,999.00	\$ (45.50)	\$ 91.00
650,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	11,797.50	12,473.50	\$ (110.50)	\$ 565.50
650,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	11,713.00	13,071.50	\$ (195.00)	\$ 1,163.50
650,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	11,628.50	13,663.00	\$ (279.50)	\$ 1,755.00
650,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	11,544.00	14,261.00	\$ (364.00)	\$ 2,353.00
650,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	11,459.50	14,852.50	\$ (448.50)	\$ 2,944.50
650,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	11,381.50	15,444.00	\$ (526.50)	\$ 3,536.00
650,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	11,297.00	16,042.00	\$ (611.00)	\$ 4,134.00
650,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	11,212.50	16,633.50	\$ (695.50)	\$ 4,725.50
650,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	11,128.00	17,231.50	\$ (780.00)	\$ 5,323.50

PROPERTY VALUE	CIP Shift	Res Factor	Estimated Tax Rates				TAX		RES SHIFT DIFFERENCE	CIP SHIFT DIFFERENCE
			Res	Com	Ind	PP	Res	CIP		
650,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	11,043.50	17,823.00	\$ (864.50)	\$ 5,915.00
750,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	13,740.00	13,740.00	\$ -	\$ -
750,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	13,687.50	13,845.00	\$ (52.50)	\$ 105.00
750,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	13,612.50	14,392.50	\$ (127.50)	\$ 652.50
750,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	13,515.00	15,082.50	\$ (225.00)	\$ 1,342.50
750,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	13,417.50	15,765.00	\$ (322.50)	\$ 2,025.00
750,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	13,320.00	16,455.00	\$ (420.00)	\$ 2,715.00
750,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	13,222.50	17,137.50	\$ (517.50)	\$ 3,397.50
750,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	13,132.50	17,820.00	\$ (607.50)	\$ 4,080.00
750,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	13,035.00	18,510.00	\$ (705.00)	\$ 4,770.00
750,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	12,937.50	19,192.50	\$ (802.50)	\$ 5,452.50
750,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	12,840.00	19,882.50	\$ (900.00)	\$ 6,142.50
750,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	12,742.50	20,565.00	\$ (997.50)	\$ 6,825.00
850,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	15,572.00	15,572.00	\$ -	\$ -
850,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	15,512.50	15,691.00	\$ (59.50)	\$ 119.00
850,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	15,427.50	16,311.50	\$ (144.50)	\$ 739.50
850,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	15,317.00	17,093.50	\$ (255.00)	\$ 1,521.50
850,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	15,206.50	17,867.00	\$ (365.50)	\$ 2,295.00
850,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	15,096.00	18,649.00	\$ (476.00)	\$ 3,077.00
850,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	14,985.50	19,422.50	\$ (586.50)	\$ 3,850.50
850,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	14,883.50	20,196.00	\$ (688.50)	\$ 4,624.00
850,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	14,773.00	20,978.00	\$ (799.00)	\$ 5,406.00
850,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	14,662.50	21,751.50	\$ (909.50)	\$ 6,179.50
850,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	14,552.00	22,533.50	\$ (1,020.00)	\$ 6,961.50
850,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	14,441.50	23,307.00	\$ (1,130.50)	\$ 7,735.00
1,100,000	1.00	1.00	\$18.32	\$18.32	\$18.32	\$18.32	20,152.00	20,152.00	\$ -	\$ -
1,100,000	1.01	99.8588	\$18.25	\$18.46	\$18.46	\$18.46	20,075.00	20,306.00	\$ (77.00)	\$ 154.00
1,100,000	1.05	99.2942	\$18.15	\$19.19	\$19.19	\$19.19	19,965.00	21,109.00	\$ (187.00)	\$ 957.00
1,100,000	1.10	98.5884	\$18.02	\$20.11	\$20.11	\$20.11	19,822.00	22,121.00	\$ (330.00)	\$ 1,969.00
1,100,000	1.15	97.8826	\$17.89	\$21.02	\$21.02	\$21.02	19,679.00	23,122.00	\$ (473.00)	\$ 2,970.00
1,100,000	1.20	97.1768	\$17.76	\$21.94	\$21.94	\$21.94	19,536.00	24,134.00	\$ (616.00)	\$ 3,982.00
1,100,000	1.25	96.4709	\$17.63	\$22.85	\$22.85	\$22.85	19,393.00	25,135.00	\$ (759.00)	\$ 4,983.00
1,100,000	1.30	95.7651	\$17.51	\$23.76	\$23.76	\$23.76	19,261.00	26,136.00	\$ (891.00)	\$ 5,984.00
1,100,000	1.35	95.0593	\$17.38	\$24.68	\$24.68	\$24.68	19,118.00	27,148.00	\$ (1,034.00)	\$ 6,996.00
1,100,000	1.40	94.3535	\$17.25	\$25.59	\$25.59	\$25.59	18,975.00	28,149.00	\$ (1,177.00)	\$ 7,997.00
1,100,000	1.45	93.6477	\$17.12	\$26.51	\$26.51	\$26.51	18,832.00	29,161.00	\$ (1,320.00)	\$ 9,009.00
1,100,000	1.50	92.9419	\$16.99	\$27.42	\$27.42	\$27.42	18,689.00	30,162.00	\$ (1,463.00)	\$ 10,010.00

DETERMINING RESIDENTIAL EXEMPTION USING A 10% DISCOUNT

This option allows communities to grant an exemption to qualifying residential properties. There is a statutory limit to the amount of the exemption. This limit is 20% of the average assessed value of all residential parcels. The exemption is computed completely within the residential class and does not impact any other class of property. The major qualification is that the property to benefit from the exemption be occupied by the owner.

This poses a logistic problem for the assessor's office since the only record that we have is of the record owner and not the occupants. In addition, the benefit would vary greatly since the exemption is granted by reducing the value of the property by a set dollar amount, for example a \$15,000 exemption on a house valued at \$100,000 would have its value reduced to \$85,000 a 15% reduction, while a house valued at \$300,000 would have its value reduced to \$285,000 an 5% reduction.

The following figures were used to determine the effects of a 10% residential exemption as an example only.

1. Compute the average assessed value of for all residential property (including vacant land):

$$\begin{aligned} & \$1,751,073,157 \text{ (total residential value)} \\ & (5290 \text{ total \# of residential parcels}) \div \$331,016 = \text{(average assessed value)} \end{aligned}$$

2. This value is then used to determine the dollar value of the exemption.

$$\$331,016 \times .10 = \$33,102$$

This amount is deducted from those parcels that meet the qualification for the residential exemption. This example is an indication of the inequities that are built in to this process.

3. For the purposes of this example it is estimated that the number of qualifying parcels in Holliston is 4232 (approximately 80%) and the exemption is 10%.

$$4232 \times \$33,102 = \$140,087,664 \text{ (total exemption amount).}$$

The total exemption amount is then subtracted from the total residential value and a new tax rate is determined. The new rate will always be higher than the original since it reduces the total residential value only and must be accommodated by the residential value only.

$$\$1,751,073,157 - \$140,087,664 = \$1,610,985,493$$

4. This process would result in the following tax rates for fiscal year 2012

	with exemption of 10%
Residential Rate	\$19.91
C.I.P. and non qualifying res:	\$18.32

Example:

Average residential value \$331,016 at tax rate of \$18.32-no exemption = \$6,064.21

Qualifying (same house) \$297,914 with exemption x 19.91 = \$5,931.47 (savings of \$132.74)

Non-qualifying

(same hs) \$331,016 with exemption rate 19.91 = \$6,590.53 (increase of \$526.32)

CIP

\$331,016 at tax rate of \$18.32 = \$6,064.21

As the residential value increases, the residential exemption discount is less and less until it actually becomes a surcharge to properties valued above the average value. The valuation for qualifying properties is discounted but the tax rate is greater.

value	res exemption qualifies: value adjusted	residential no res exemption, single rate: 18.32	res exemption value X rate 19.91	non qualifying value X non qual rate 19.91	qualifier with discount	non-qualifier no discount	commercial industrial rate 18.32
200,000	166,898	3,664.00	3,322.94	3,982.00	-341.06	318.00	3,664.00
250,000	216,898	4,580.00	4,318.44	4,977.50	-261.56	397.50	4,580.00
275,000	241,898	5,038.00	4,816.19	5,475.25	-221.81	437.25	5,038.00
300,000	266,898	5,496.00	5,313.94	5,973.00	-182.06	477.00	5,496.00
331,016	297,914	6,064.21	5,931.47	6,590.53	-132.75	526.32	6,064.21
350,000	316,898	6,412.00	6,309.44	6,968.50	-102.56	556.50	6,412.00
375,000	341,898	6,870.00	6,807.19	7,466.25	-62.81	596.25	6,870.00
400,000	366,898	7,328.00	7,304.94	7,964.00	-23.06	636.00	7,328.00
450,000	416,898	8,244.00	8,300.44	8,959.50	56.44	715.50	8,244.00
500,000	466,898	9,160.00	9,295.94	9,955.00	135.94	795.00	9,160.00
550,000	516,898	10,076.00	10,291.44	10,950.50	215.44	874.50	10,076.00
600,000	566,898	10,992.00	11,286.94	11,946.00	294.94	954.00	10,992.00

Historically the Residential Exemption has benefited communities most where the value and number of owner occupied residences is less than or equal to the number of non-owner occupied residences such as; Boston, Brookline, Waltham, Somerset, and many Cape and Island Communities. Properties under the average value will receive a greater discount at the expense of the majority of the higher valued and non-resident properties.

The Board of Assessors does not recommend adoption of the residential exemption.

SMALL COMMERCIAL EXEMPTION

The small business exemption was legislated for implementation in fiscal year 1995. It is a process which is intended to give a tax benefit to certain commercial properties.

The qualifications are as follows:

- The real estate must be occupied on January 1st by a business that has less than 10 employees and the property value must be less than \$1,000,000.
- The property must be within the commercial class (300) class.
- Mixed use properties and home businesses are excluded from qualifying. A list of companies that have less than 10 employees is provided to the assessors from the State Department of Employment. The list provided shows only that the business is located in your town and the total number of employees may include other branches of the business in other communities. It is possible that a business could have more than 10 employees and the assessors would not have access to that knowledge. It should be noted that this list is not public record and that if a business is not on the list, even if it qualifies, then it would not receive the exemption.
- Any tax benefit from this exemption goes to the owner of the real estate and not to the qualifying business.
- For any multi-business parcel, all businesses must qualify or the parcel will not receive the exemption.
- The tax benefits realized by any qualifying parcels are shifted to the non-qualifying parcels within the commercial class. Unlike the residential exemption, the exemption is applied to the qualifying parcels as a percentage of value instead of a dollar value.

There are 108 commercial parcels. 19 are vacant and would not qualify. Of the remaining 89, all but 9 are valued under the \$1,000,000. The total value of the 10 parcels is \$18,043,800. The total value of all commercial (300) class, 108 parcels, is \$52,705,500. Many of the commercial properties on the list appear to be multiple businesses within parcels which would make it difficult to determine if they qualify for the exemption.

For an example lets suppose that 41 of the total 89 parcels would qualify for this exemption. Chosen randomly, the total value of the ‘qualifiers’ is \$17,025,900. At 10% the value to exempt would be \$1,702,590. This value will now shift to the 39 non-qualifying parcels, plus the 19 vacant and 9 parcels \$1,000,000 and greater.

original value	no com exemption	10% value shift	Qualifier: shift rate (10% and new rate)	Non-qualifier: no shift rate (full value) 18.48	difference between quaifier and not	impact between no commercial exemption and non qualifier	impact between no commercial exemption and qualifier
200,000	3,664.00	180,000	3,326.40	3696.00	-369.60	-32.00	337.60
500,000	9,160.00	450,000	8,316.00	9240.00	-924.00	-80.00	844.00
750,000	13,740.00	675,000	12,474.00	13860.00	-1,386.00	-120.00	1,266.00
1,000,000	18,320.00	900,000	16,632.00	18480.00	-1,848.00	-160.00	1,688.00
1,250,000	22,900.00	1,125,000	20,790.00	23100.00	-2,310.00	-200.00	2,110.00

A great deal of research would need to be done to determine whether a commercial property would qualify. This exemption, although intended to help the individual small business, does not necessarily “trickle down” to that business owner as a renter.

There are approximately 10 communities that have adopted the small business exemption in Massachusetts. Because of the economy many communities are looking into it for this fiscal year. Further study would be recommended if the Selectmen is interested in pursuing this exemption.

PROFILE OF SINGLE FAMILY RESIDENCES

	FY2012		FY2011		FY2010		FY2009		FY2008	
Assessed Value (\$1000)	# parcels	Median Value	# parcels	Median Value	# parcels	Median Value	# parcels	Median Value	# parcels	Median Value
00 - 125	0	0	0	-	0		0		0	
125-150	1	137,700	0	-	0		0	0	0	0
150 - 175	5	186,968	2	188,700	1	188300	2	186,900	0	188,700
175- 200	17		17		13		10		3	
200 - 225	57	233,764	60	236,000	46	234650	35	234,200	16	233,300
225 - 250	190		186		128		86		45	
250 - 275	414	277,906	418	278,900	322	280,550	187	283,400	114	285,450
275 - 300	599		607		502		402		312	
300 - 325	657	322,526	663	321,400	640	323,100	650	325,500	546	328,300
326 - 350	517		513		555		687		731	
350 - 400	536	409,457	535	403,200	652	397,200	761	393,550	904	391,000
400 - 500	568		567		599		645		703	
500+	706	618398	692	594,000	793	619,500	786	603,200	862	628,200
PCL COUNT	4,267		4,258		4,250		4,251		4,236	
AVERAGE TAXES/VAL	\$6,915.76	377,498	\$6,754.14	376,485	\$6,433.69	\$394,463	\$5,798.43	\$398,244	6,014.52	414,223
MEDIAN TAXES/VALUE	\$6,089.57	332,400	\$5,950.70	331,700	\$5,640.81	\$345,850	\$5,135.31	\$352,700	5,270.03	362,950
	TAXES	VALUE	TAXES	VALUE	TAXES	VALUE	TAXES	VALUE	TAXES	VALUE

RESIDENTIAL VS C.I.P. VALUATION HISTORY

FISCAL YEAR	RESIDENTIAL %	C.I.%	RESIDENTIAL VALUATION	C.I.P. VALUATION
1989	84.39	15.61	\$ 870,904,900	\$ 161,062,100
1990	84.92	15.08	\$ 818,400,800	\$ 145,387,200
1991	85.75	14.25	\$ 788,570,000	\$ 131,054,200
1992	85.96	14.04	\$ 754,101,300	\$ 123,129,100
1993	85.83	14.17	\$ 710,935,600	\$ 117,399,300
1994	86.04	13.96	\$ 718,428,500	\$ 116,531,800
1995	87.19	12.81	\$ 754,038,800	\$ 110,820,250
1996	87.58	12.42	\$ 770,674,354	\$ 109,336,446
1997	87.66	12.34	\$ 784,926,579	\$ 110,507,481
1998	87.73	12.27	\$ 830,370,800	\$ 116,159,250
1999	88.54	11.46	\$ 865,264,814	\$ 112,020,143
2000	89.44	10.56	\$ 972,146,643	\$ 114,838,720
2001	89.58	10.42	\$ 1,112,816,333	\$ 129,411,415
2002	89.29	10.71	\$ 1,197,656,757	\$ 143,622,414
2003	89.41	10.59	\$ 1,327,123,176	\$ 157,136,383
2004	89.79	10.20	\$ 1,555,940,400	\$ 176,844,045
2005	89.99	10.01	\$ 1,648,852,560	\$ 183,291,655
2006	90.57	9.42	\$ 1,785,545,803	\$ 185,725,850
2007	90.57	9.45	\$ 1,991,067,650	\$ 207,941,098
2008	89.99	10.01	\$ 1,908,100,520	\$ 212,270,079
2009	88.88	11.12	\$ 1,840,462,569	\$ 230,359,294
2010	88.14	11.86	\$ 1,816,610,457	\$ 244,555,006
2011	87.55	12.45	\$ 1,736,961,400	\$ 246,909,300
2012	87.63	12.37	\$ 1,751,073,157	\$ 247,185,843

Average single family home value

