

**RESIDENTIAL TAX EXEMPTION ANALYSIS - UTILIZING 2017 PROPERTY VALUES AND TAX RATE  
FOR DISCUSSION PURPOSES ONLY**

**EXEMPTION AMOUNTS, TAX RATES AND TAX BILL AMOUNTS MAY CHANGE WITH 2018 VALUES**

Total Tax Rate w/o Exemption = \$6.98

Total Tax Rate w/ Exemption = \$7.33

**\$127,699 PER PARCEL EXEMPTION AMOUNT AT 20% -- Avg. Res. Parcel Value = \$638,496**

Note: These figures are Town Taxes Only - no CPA (CPA taxes will be affected proportionately)

# of Parcels	Current Base Assessment	Tax Rate w/o Exemption is \$6.98	Tax Bill Amt. w/o Exemption	Est. # of taxpayers who qualify (primary residences)	Assessed Value Exempted	Assessment with Exemption	Tax Rate with Exemption is \$7.33	Tax Bill Amt. with Exemption	Tax Savings or Increase for qualifying people with Exemption in place	Estimated # of taxpayers not qualifying (second homes, renters, vacant land)	Tax Bill Amt. for non-qualifying people w/ exemption in place	Tax Increase for non-qualifying people with Exemption in place
50	\$100,000	0.00698	\$698	8	\$127,699	\$10,000	0.00733	\$73	(\$625)	42	\$733	\$35
68	\$150,000	0.00698	\$1,047	2	\$127,699	\$22,301	0.00733	\$163	(\$884)	66	\$1,100	\$53
99	\$200,000	0.00698	\$1,396	3	\$127,699	\$72,301	0.00733	\$530	(\$866)	96	\$1,466	\$70
189	\$250,000	0.00698	\$1,745	10	\$127,699	\$122,301	0.00733	\$896	(\$849)	179	\$1,833	\$88
156	\$300,000	0.00698	\$2,094	17	\$127,699	\$172,301	0.00733	\$1,263	(\$831)	139	\$2,199	\$105
211	\$350,000	0.00698	\$2,443	50	\$127,699	\$222,301	0.00733	\$1,629	(\$814)	161	\$2,566	\$123
273	\$400,000	0.00698	\$2,792	72	\$127,699	\$272,301	0.00733	\$1,996	(\$796)	201	\$2,932	\$140
249	\$450,000	0.00698	\$3,141	100	\$127,699	\$322,301	0.00733	\$2,362	(\$779)	149	\$3,299	\$158
233	\$500,000	0.00698	\$3,490	95	\$127,699	\$372,301	0.00733	\$2,729	(\$761)	138	\$3,665	\$175
196	\$550,000	0.00698	\$3,839	74	\$127,699	\$422,301	0.00733	\$3,095	(\$744)	122	\$4,032	\$193
188	\$600,000	0.00698	\$4,188	48	\$127,699	\$472,301	0.00733	\$3,462	(\$726)	140	\$4,398	\$210
176	\$650,000	0.00698	\$4,537	45	\$127,699	\$522,301	0.00733	\$3,828	(\$709)	131	\$4,765	\$228
148	\$700,000	0.00698	\$4,886	36	\$127,699	\$572,301	0.00733	\$4,195	(\$691)	112	\$5,131	\$245
102	\$750,000	0.00698	\$5,235	32	\$127,699	\$622,301	0.00733	\$4,561	(\$674)	70	\$5,498	\$263
95	\$800,000	0.00698	\$5,584	23	\$127,699	\$672,301	0.00733	\$4,928	(\$656)	72	\$5,864	\$280
101	\$850,000	0.00698	\$5,933	21	\$127,699	\$722,301	0.00733	\$5,294	(\$639)	80	\$6,231	\$298
74	\$900,000	0.00698	\$6,282	10	\$127,699	\$772,301	0.00733	\$5,661	(\$621)	64	\$6,597	\$315
120	\$1,000,000	0.00698	\$6,980	22	\$127,699	\$872,301	0.00733	\$6,394	(\$586)	98	\$7,330	\$350
84	\$1,100,000	0.00698	\$7,678	16	\$127,699	\$972,301	0.00733	\$7,127	(\$551)	68	\$8,063	\$385
44	\$1,200,000	0.00698	\$8,376	17	\$127,699	\$1,072,301	0.00733	\$7,860	(\$516)	27	\$8,796	\$420
52	\$1,300,000	0.00698	\$9,074	9	\$127,699	\$1,172,301	0.00733	\$8,593	(\$481)	43	\$9,529	\$455
26	\$1,400,000	0.00698	\$9,772	10	\$127,699	\$1,272,301	0.00733	\$9,326	(\$446)	16	\$10,262	\$490
16	\$1,500,000	0.00698	\$10,470	2	\$127,699	\$1,372,301	0.00733	\$10,059	(\$411)	14	\$10,995	\$525
96	\$2,000,000	0.00698	\$13,960	9	\$127,699	\$1,872,301	0.00733	\$13,724	(\$236)	87	\$14,660	\$700
56	\$2,500,000	0.00698	\$17,450	7	\$127,699	\$2,372,301	0.00733	\$17,389	(\$61)	49	\$18,325	\$875
17	\$3,000,000	0.00698	\$20,940	1	\$127,699	\$2,872,301	0.00733	\$21,054	\$114	16	\$21,990	\$1,050
11	\$4,000,000	0.00698	\$27,920	1	\$127,699	\$3,872,301	0.00733	\$28,384	\$464	10	\$29,320	\$1,400
3	\$5,088,500	0.00698	\$35,518	0	\$127,699	\$4,960,801	0.00733	\$36,363	\$845	3	\$37,299	\$1,781
<b>TOTALS</b>	<b>3133</b>			<b>740</b>						<b>2393</b>		
<b>AVERAGE</b>	<b>\$638,496.00</b>	<b>0.00698</b>			<b>\$127,699</b>		<b>0.00733</b>		<b>(\$710)</b>			<b>\$241</b>

# Residential Tax Exemption Explained

June 28, 2017

## Essentially this is how the exemption works:

1. **Subject to Board of Selectmen Approval:** The Board of Selectmen may vote to provide a Residential Tax Exemption and the percentage of that exemption. *(If approved, it is proposed to be 20%, but could be as high as 35% under state enabling legislation.)*
2. **Average Base Assessment Value:** If approved, the Assessor will determine the average residential property value. *(Currently estimated at \$638,496 based on 2017 property values.)*
3. **Exemption Amount for Qualified Parcels:** To determine the dollar value of the STANDARD exemption to be applied to ALL qualified primary residences, the average property value is multiplied by the voted upon percentage. *(20% of \$638,496 = \$127,699 standard deduction per parcel. 2018 values may differ.)*
4. **Tax Rate Increases:** To compensate for the reduced tax revenues due to granting residential exemptions, the overall tax rate must be increased. Based on 2017 data, the increase is estimated at \$0.35 per \$1,000 of assessed value, raising the current \$6.98 to \$7.33 per \$1,000 of assessed value.
5. **Tax Savings for Qualified Parcels:** Applying the increased tax rate to qualified primary residences (estimated at 740 properties), the annual tax savings would be \$713 for an average property valued at \$638,496. Annual tax savings would range from \$884 down to \$61 with the greatest savings for the lowest valued properties; however, 3 primary resident properties valued at over \$3,000,000 will actually have an increase in the annual property tax.
6. **Tax Increase for Non-qualified Parcels** Applying the increased tax rate to properties that are not primary residences (estimated at 2,393 properties), the annual tax increase is \$223 for an average property valued at \$638,496. The annual tax increase would be proportional to property values, and would range from \$35 for properties valued at \$100,000, up to \$1,781 for properties valued at \$5,088,500.

## Tables Illustrating Estimated Average Residential Tax Exemptions, Savings and Increases for 2017:

<b>A. Average Current Base Tax (2017 Property Values and Tax Rate)</b>	
Total number of residential parcels: 3,133.	
Average Base Assessment Value:	\$638,496
Multiplied by Tax Rate without Exemption:	x 0.00698
<b>Average Current Base Tax Bill:</b>	<b>\$4,457</b>
<b>B. Estimated Average Tax Savings for Qualifying Primary Residences:</b>	
Estimated number of parcels qualifying for exemption: 740 (Primary Residences. Owners must submit documentation to the Assessor and be approved for exemption.)	
Average Base Assessment Value:	\$638,496
Less Assessed Value Exempted:	<u>- \$127,699</u>
Assessment Value with Exemption:	\$520,797
Multiplied by Estimated Tax Rate with Exemptions:	x 0.00733
<b>Average Tax Bill for Qualifying Parcel</b>	<b>\$3,744</b>
<b>Average Tax Savings with Exemption (vs. \$4,457):</b>	<b>\$713</b>
<b>C. Estimated Average Tax Increase for Non-qualifying Parcels:</b>	
Estimated number of taxpayers NOT qualifying for exemption: 2,393 (Second homes, renters, vacation land, or lack of primary residence documentation.)	
Average Base Assessment Value:	\$638,496
Multiplied by Estimated Tax Rate with Exemptions:	x 0.00733
<b>Average Tax Bill for Non-qualifying Parcel:</b>	<b>\$4,680</b>
<b>Average Tax Increase Non-qualifying Parcel (vs. \$4,457):</b>	<b>\$223</b>

## Residential Tax Exemption Tax Shifts | Truro

Assumptions use 2017 data

- Fixed Budget at \$18.48 MM
- Fixed Average Assessed Value of \$638,496
- Tax Rate at \$7.33/thousand of assessed value\*

Exemption	At 20%	At 35%
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Each **Qualifying** Property's Assessed Value would **decrease**

\$127,699.18	\$223,473.60
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**Value of Decreased Assessment** at New Tax Rate for each **Qualifying Property\*\***

\$936.03	\$1,638.07
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**Total Max. Tax** Amount Shiftable to **Non-Qualifying** Properties\*\*\*

\$692,662.20	\$1,212,172
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Each **Non-Qualifying** Property Tax would **increase**

- In an amount proportional to the  
property's assessed value
- Based on Fair Market Valuation  
x the applicable rate/thousand in effect

\*The higher exemption rate will increase the tax rate but that cannot be determined at this time

\*\* Based on Town's estimated reduction/\$127,699.18 at \$7.33/thousand with exemption

\*\*\*Assume all qualifying properties apply. Actual amount shifted depends on number of qualified applicants

# Comparison of Full and Part-time Taxpayer Distribution/Assessed Values

