

December 2006

Tax Bills Reflect New Values and Rates

Residential property accounts for total tax levy increase

The City of Boston's total taxable value in FY07 grew by 16% over the past year but value and classification changes resulted in the residential portion of the tax levy increasing by 15% while the business portion decreased slightly. The increasing values caused residential and business tax rates to decrease by 1% and 12% respectively. Boston's values and tax rates have been approved by the state Department of Revenue and the property tax bills have been mailed. These third quarter bills are due on February 1.

Residential (R) and Commercial, Industrial, Personal (CIP) property values have grown at a similar pace, 17% for residential and 13% for business. Total taxable value grew to \$86.5B, an increase of \$11.8B over last year.

FY07 is a full revaluation year and the values are set as of January 1, 2006, reflecting the market activity of 2005.

Boston's business property represents 31% of taxable value in FY07 but pays 58% of the tax levy. However, the CIP levy share has declined from 70% in FY02. The early value differentials and reducing the business ceiling each year since FY04 (7% in FY07) as required by the 2004 classification law account for the shift.

Boston's FY07 average single-family tax bill increased by 12% to \$3,091. In the last five years, the average single-family tax bill grew by 78%. The state average this year is \$4,004.

City Of Boston Value, Tax & Levy Summary FY06-FY07 figures in 000's

	FY06	FY07	Variance	% Variance	% of Total
Values					
Residential	50,688,907	59,293,474	8,604,567	17.0%	69%
CIP	24,049,094	27,222,631	3,173,537	13.2%	31%
Total	\$74,738,001	\$86,516,106	\$11,778,104	15.8%	100%
Levy					
Residential	469,313	538,788	69,475	14.8%	42%
CIP	738,307	731,472	-6,835	-0.9%	58%
Total	\$1,207,620	\$1,270,260	\$62,640	5.2%	100%
Tax Rates					
Residential	\$11.12	\$10.99	(\$0.13)	-1.2%	
CIP	\$30.70	\$26.87	(\$3.83)	-12.5%	

Source: Tax Rate Recapitulation sheets for Boston, Mass Department of Revenue