

Boston's Tax-Exempt Property

Government represents 79% of total exempt area

As the capital city of Massachusetts and the largest city in New England, Boston has a larger share of tax-exempt property within its boundaries than most any other city in the country except Washington, D.C. With greater pressure on the city budget, city officials are looking to the private tax-exempt institutions to contribute more financial support for services. However, private exempt institutions, especially the educational and medical institutions, are the basis for much of the economic strength and growth in Boston.

FY08 Tax-Exempt Land Area Summary			
Category	Sq. Mi.	% Exempt Area	% City Area
Public	18.2	79%	40%
Private	5	22%	11%
Total Exempt	23.2	100%	51%
Total City	45.7		

One-half of the land area in Boston is tax-exempt, primarily owned by governmental entities or tax-exempt nonprofit institutions. Of the total tax-exempt land area of 23.2 square miles, 18.2 square miles or 79% is owned by the Federal government, Commonwealth of Massachusetts or City of Boston, while 5.0 square miles or 22% is owned by religious and other exempt institutions. Click here [MORE>](#) for a detailed breakdown of tax-exempt property.

Boston's total assessed value in FY08 is \$99.6B of which taxable value represents 72% of the total and tax-exempt 28%. Since the City does not continually update tax-exempt values as it does taxable property, discussion of tax-exempt property should be limited to comparisons of area, not value.

Of the private tax-exempt area that represents 11% of the City's total area, the educational and medical institutions make up only 5% of all city property. The value of these institutions is demonstrated by a 2006 study by the Conference of Boston Teaching Hospitals (COBTH) that indicated that Greater Boston's teaching hospitals and affiliated medical schools provide a direct economic benefit to Greater Boston of \$4.5B. Six of the top 10 private employers in Boston are teaching hospitals.

Many tax-exempt institutions do make payments in lieu of taxes (PILOTs) to Boston which totaled \$32.1M in FY07 as shown below.

Tax-Exempt PILOTs in FY07		
Category	No.	PILOTs
Massport	1	\$15,232,000
Medical Inst.	10	4,304,632
Educational Inst.	13	7,786,994
Other	11	4,802,020
Total	35	\$32,125,646