

Bureau Update



February 2017

Fiscal 2017 Tax Rates Set

New growth takes center stage adding \$75M in tax revenue

Strong growth in existing property value and even greater new growth from building construction and change in property tax status have combined to increase Boston's total taxable value in FY17 to \$143.9B. New growth is expected to add \$75M in tax revenue for Boston, a jump of \$27.2M or 57.2% over FY16 new growth of \$47.6M. The average single-family tax bill is \$3,231, a drop of \$299 or 8.5% over FY16.

Tax Value - Boston's total taxable value for FY17 is \$143.9B, an increase of \$15.9B or 12.4%. Last year's value growth was \$17.3B or 15.6% for a total two year taxable value increase of \$33.2B or 30.0%. By class, the greater percentage growth in FY17 occurred in business property which increased by \$6.2B or 13.9%, while residential property value increased by \$9.7B or 11.6%. The valuation date for FY17 was January 1, 2016, which captured the market activity of 2015.

Boston's Taxable Value

figures in billions

	FY16	FY17	Variance	%
C, I, P	\$44.3	\$50.5	\$6.2	13.9%
R	\$83.7	\$93.5	\$9.7	11.6%
TOTAL	\$128.0	\$143.9	\$15.9	12.4%
Value as % of Total				
C, I, P	34.6%	35.1%		
R	65.4%	64.9%		

*C,I,P=Commercial, Industrial, Personal R = Residential

Tax Levy - The City's property tax levy in FY17 totals \$2.1B, an increase of \$125.2M or 6.4% compared to a 5% increase last year. The \$2.1B levy is at its maximum legal level except by a Proposition 2½ override vote. The normal 2.5% increase in the levy produced an increase of

\$49.1M and new growth contributed \$75M or 60% of the total. Business property new growth constituted 62% of the total. As a result of the City's application of full classification, business property represents 35.1% of taxable value, but pays 61.4% of the tax levy. Residential property represents 64.9% of value and pays 38.6% of the levy.

Boston's Tax Levy

figures in millions

	FY16	FY17	Variance	%
C, I, P	\$1,188.4	\$1,280.7	\$92.2	7.8%
R	\$773.1	\$806.0	\$33.0	4.3%
TOTAL	\$1,961.5	\$2,086.7	\$125.2	6.4%
Levy as % of Total				
C, I, P	60.6%	61.4%		
R	39.4%	38.6%		

*C,I,P=Commercial, Industrial, Personal R = Residential

Tax Rates - The increase in taxable value and the 2.5% levy limit caused a reduction in the residential tax rate to \$10.59, a cut of \$0.41 or 3.7%. The business tax rate decreased to \$25.37, a drop of \$1.44 or 5.4%. The residential exemption will save qualified homeowners \$2,433 on their tax bill, nearly \$500 more than last year. This reflects the change in the [residential exemption](#) from 30% to 35% of the average of all residential parcels, the maximum allowed by law.

Boston's Tax Rates

Per thousand \$ of value

	FY16	FY17	Variance	%
C, I, P	\$26.81	\$25.37	-\$1.44	-5.4%
R	\$11.00	\$10.59	-\$0.41	-3.7%