

Boston's Fiscal 2016 Tax Rates Set

Boston's property value grew by 15.6%, following the value increase of 10.9% in FY15

The third consecutive year of strong growth, new building construction, and a full parcel-specific revaluation combined to boost Boston's taxable property value to \$128B as of January 1, 2015. Boston's FY16 taxable value increased by 15.6%, up from 10.9% in FY15. The average single family tax bill is \$3,530, a \$10 or 0.28% increase over FY15. Approved by the state on December 17, these changes will be reflected in the third quarter tax bills that are due by February 1.

Tax Value – Boston's FY16 taxable value of \$128B represents an increase of \$17.31B or 15.6%, compared to last year's growth of \$10.9B or 10.9%. By class, residential and business property values rose at similar rates: residential value increased by \$11.37B or 15.7%; business (commercial, industrial & personal) value increased by \$5.94B or 15.5%, when including new growth. The valuation date for FY16 of January 1, 2015 captured the market activity of 2014.

Tax Levy – The City's property tax levy in FY16 totals \$2.0B, an increase of \$94M or 5.0%. The \$2.0B levy is at its maximum legal level without a Proposition 2½ override vote. The normal 2.5% increase in the levy produced an increase of \$46.5M and new growth contributed to \$47.5M or 50.5% of the total. As a result of the City's application of full classification, business property represents 34.6% of taxable value, but pays 60.6% of the tax levy. Residential property represents 65.4% of value and pays 39.4% of the levy.

Tax Rates – The significant tax value growth required a decrease in the tax rates to keep the base levy increase to no more than 2.5%. The FY16 residential tax rate of \$11.00 per \$1,000 of assessed value decreased by \$1.11 or 9.2%, while the business tax rate of \$26.81 decreased by \$2.71 or 9.2%. The residential exemption for qualified homeowners reduced the value by \$178,325 which translated into a tax bill reduction of \$1,961.58.

Boston's Property Tax Summary

Figures in Billions

		FY14	FY15	FY16	Change FY15-FY16	%
Taxable Value	C,I,P	\$35.3	\$38.4	\$44.3	\$5.94	15.5%
	R	\$64.5	\$72.3	\$83.7	\$11.37	15.7%
	Total	\$99.8	\$110.7	\$128.0	\$17.31	15.6%
Tax Levy	C,I,P	\$1.1	\$1.1	\$1.2	\$0.06	4.9%
	R	\$0.7	\$0.7	\$0.8	\$0.04	5.3%
	Total	\$1.8	\$1.9	\$2.0	\$0.09	5.0%
Value as % of Total	C,I,P	35.4%	34.7%	34.6%		
	R	64.6%	65.3%	65.4%		
Levy as % of Total	C,I,P	61.9%	60.7%	60.6%		
	R	38.1%	39.3%	39.4%		
Tax Rate/Thousand	C,I,P	\$31.18	\$29.52	\$26.81	(\$2.71)	-9.2%
	R	\$12.58	\$12.11	\$11.00	(\$1.11)	-9.2%

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