

***Town of Plymouth
Property Tax Classification
Hearing
December 5, 2023***

Classification Overview

Classification Hearing

- **Purpose of Tax Classification Hearing**
- **Overview of key changes**
- **Tax Valuations by Class**
 - Current Year Values
 - Change between fiscal years
- **Average Tax Bill Information by Class**
 - Change between fiscal years
- **Shift Information-** *the impact of shifting from a unified to a split tax rate*
- **Considerations**
- **Recommendation**

Classification Hearing

- **Purpose-** to adopt the Town's Tax Policy by allocating or classifying the tax levy among property types
 - **Select Board must vote on how to adopt the Tax Rate Policy; either by**
 - A single or unified tax rate
 - A multiple or split tax rate
 - **Additionally, can adopt exemptions and discounts**
 - **Open space discount;**
 - up to 25% of the residential factor
 - **Residential exemptions;**
 - up to 20% of the average of all residential value
 - » Eligibility; must be owner's primary residence
 - **Small commercial exemption**
 - Up to 10% of assessed value of eligible properties
 - » Eligibility;
 - » occupied by business
 - » Value of less than \$1 million
 - » No more than 10 employees; aggregate

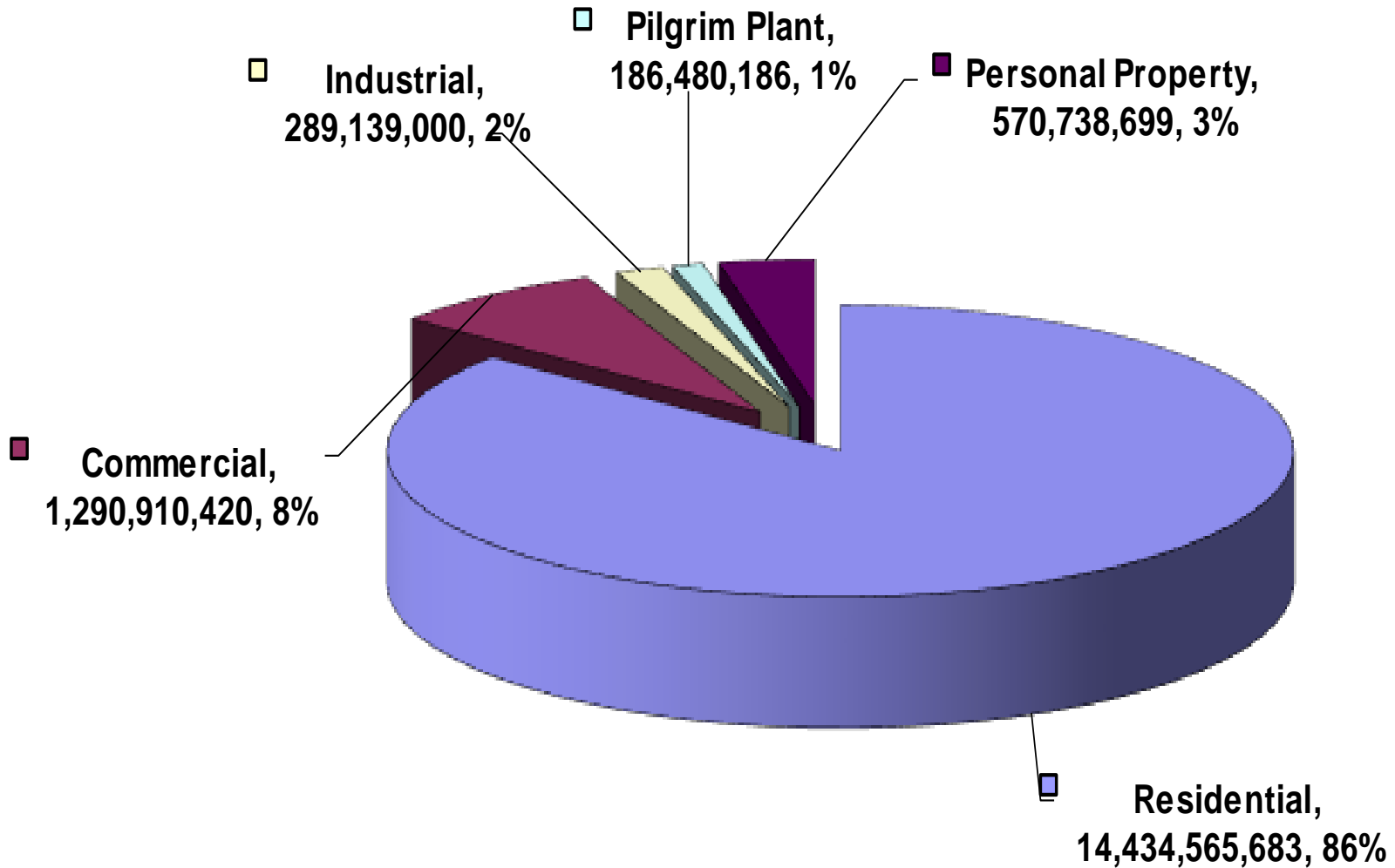
Overview of Key Changes

	FY2023	FY2024	Change
Unified Tax	\$ 13.71	\$ 12.87	\$ (0.84)
Average			
Single Family Value	\$ 495,902.00	\$ 548,474.00	\$ 52,572.00
Single Family Tax	\$ 6,798.82	\$ 7,058.86	\$ 260.04
Median			
Single Family Value	\$ 451,300.00	\$ 498,300.00	\$ 47,000.00
Single Family Tax	\$ 6,187.32	\$ 6,413.12	\$ 225.80
Average			
Commercial Value	\$1,431,678.00	\$1,527,969.00	\$ 96,291.00
Commercial Tax	\$ 19,628.31	\$ 19,664.96	\$ 36.66
Median			
Commercial Value	\$ 531,150.00	\$ 554,600.00	\$ 23,450.00
Commercial Tax	\$ 7,282.07	\$ 7,137.70	\$ (144.36)

Property Valuation

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year % Change
RES	9,193,242,480	9,738,935,499	10,577,955,272	12,759,935,641	14,434,565,683	13.12%
COMM	1,001,671,096	1,016,083,399	1,057,713,991	1,206,582,327	1,290,910,420	6.99%
IND	653,344,255	624,509,123	450,823,265	463,511,300	475,619,186	2.61%
Sub C+I	1,655,015,351	1,640,592,522	1,508,537,256	1,670,093,627	1,766,529,606	5.77%
PERS PROP	372,738,986	402,386,763	489,033,078	526,184,049	570,738,699	8.50%
Sub CIP	2,027,754,337	2,042,979,285	1,997,570,334	2,196,277,676	2,337,268,305	6.42%
TOTAL VALUE	11,220,996,817	11,781,914,784	12,575,525,606	14,956,213,317	16,771,833,988	12.14%

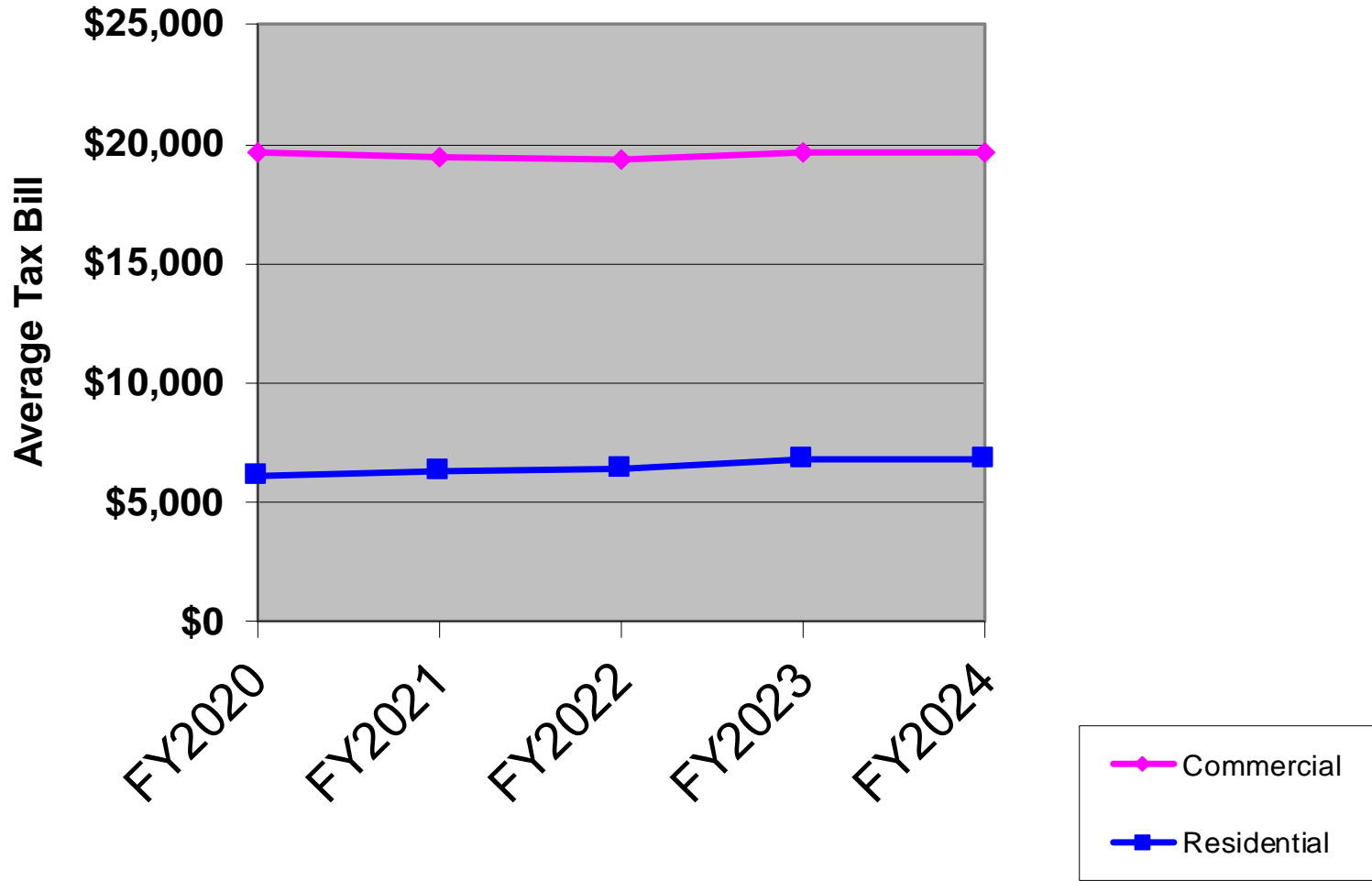
Property Values Percentages as of Fiscal Year 2024



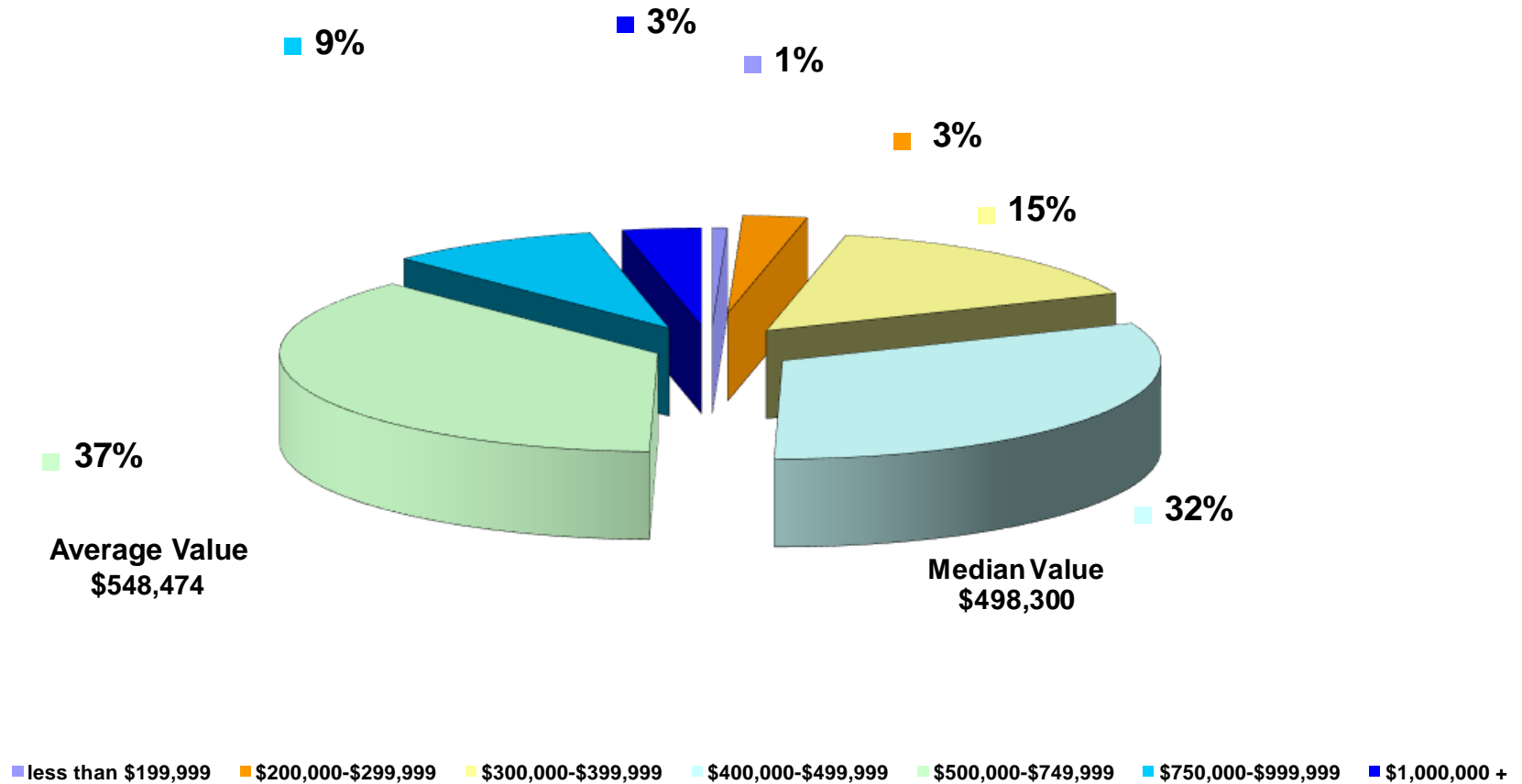
Residential and Commercial Data

	FISCAL YEAR				
	2020	2021	2022	2023	2024
<u>Single Family</u>					
Average Single Family Tax Bill	6,109.94	6,286.55	6,438.11	6,798.82	7,058.86
Avg Value: Single Family	373,697	389,019	417,246	495,902	548,474
Number of Single Homes	18,970	19,190	19,439	19,687	19,868
<u>Commercial</u>					
Average Tax Bill	19,609.64	19,421.64	19,338.71	19,628.31	19,664.96
Average Value: Commercial	1,199,366	1,201,834	1,253,319	1,431,678	1,527,969
Number of Commercial Parcels	737	746	744	745	747

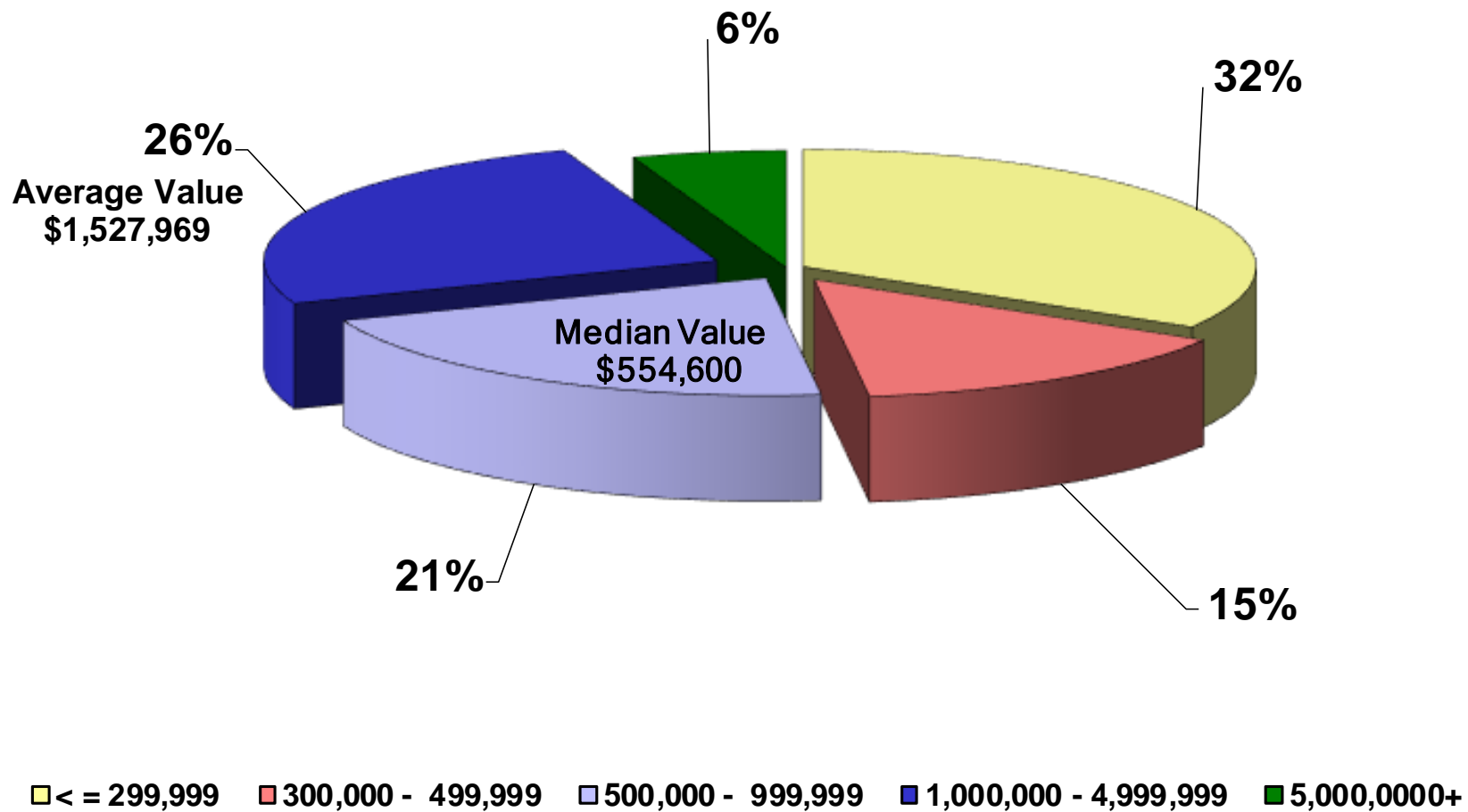
Average Tax Bill



FY2024 Single Family



FY2024 Commercial



Shift Impact

	Residential			Commercial		
	Average Tax Bill	Change	RATE	RATE	Average Tax Bill	Change
	Single Family				Commercial	
	7,058.86		12.87	12.87	19,664.96	
Shifts						
1%	7,047.89	(10.97)	12.85	13.00	19,863.60	198.64
2%	7,036.92	(21.94)	12.83	13.13	20,062.23	397.27
3%	7,025.95	(32.91)	12.81	13.26	20,260.87	595.91
4%	7,014.98	(43.88)	12.79	13.38	20,444.23	779.27
5%	7,004.01	(54.85)	12.77	13.51	20,642.86	977.90
6%	6,987.56	(71.30)	12.74	13.64	20,841.50	1,176.54
7%	6,976.59	(82.27)	12.72	13.77	21,040.13	1,375.17
8%	6,965.62	(93.24)	12.70	13.90	21,238.77	1,573.81
9%	6,954.65	(104.21)	12.68	14.16	21,636.04	1,971.08
10%	6,943.68	(115.18)	12.66	14.29	21,834.68	2,169.72
15%	6,888.83	(170.03)	12.56	14.80	22,613.94	2,948.98
22%	6,806.56	(252.30)	12.41	15.70	23,989.11	4,324.15
40%	6,603.63	(455.23)	12.04	18.02	27,534.00	7,869.04
50%	6,488.45	(570.41)	11.83	19.81	30,269.07	10,604.11

Classification Considerations

- **Diversity of tax base**

- Residential; \$ 14,434,565,683 or 86%
- Commercial; \$ 1,290,910,420 or 8%
- Industrial; \$ 475,619,186 or 3%
- Personal Property; \$ 570,738,699 or 3%

- **Ability to absorb shift**

- In order to maintain an “average” tax bill of approximately \$6,799 for the residential classification, a 22% shift will be necessitated. The impact to the residential and commercial classes are;
 - A decrease in the average residential tax bill of **(\$252)**
 - An increase in the average commercial tax bill of \$4,324

Impact of Tax Rate Shift

IMPACT OF TAX RATE SHIFT - FISCAL 2023

Property Value		\$300,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$12.87	\$12.87	\$3,861.00	\$3,861.00		
5%	\$12.77	\$13.51	\$3,831.00	\$4,053.00	\$30.00	\$192.00
10%	\$12.66	\$14.16	\$3,798.00	\$4,248.00	\$63.00	\$387.00
22%	\$12.41	\$15.70	\$3,723.00	\$4,710.00	\$138.00	\$849.00

Property Value		\$550,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$12.87	\$12.87	\$7,078.50	\$7,078.50		
5%	\$12.77	\$13.51	\$7,023.50	\$7,430.50	\$55.00	\$352.00
10%	\$12.66	\$14.16	\$6,963.00	\$7,788.00	\$115.50	\$709.50
22%	\$12.41	\$15.70	\$6,825.50	\$8,635.00	\$253.00	\$1,556.50

Impact of Tax Rate Shift

Property Value		\$750,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$12.87	\$12.87	\$9,652.50	\$9,652.50		
5%	\$12.77	\$13.51	\$9,577.50	\$10,132.50	\$75.00	\$480.00
10%	\$12.66	\$14.16	\$9,495.00	\$10,620.00	\$157.50	\$967.50
22%	\$12.41	\$15.70	\$9,307.50	\$11,775.00	\$345.00	\$2,122.50

Property Value		\$1,000,000				
Shift%	Res Rate	CIP Rate	Res Tax	CIP Tax	Res. Savings	CIP Increase
0%	\$12.87	\$12.87	\$12,870.00	\$12,870.00		
5%	\$12.77	\$13.51	\$12,770.00	\$13,510.00	\$100.00	\$640.00
10%	\$12.66	\$14.16	\$12,660.00	\$14,160.00	\$210.00	\$1,290.00
22%	\$12.41	\$15.70	\$12,410.00	\$15,700.00	\$460.00	\$2,830.00

Classification Considerations

- Diversity of tax base
- Ability of CIP tax base to absorb shift
- Economic Development