



Tax Classification Hearing

11/21/2023

Tax policy for the Town of Wareham FY2024

We have received final approval of values from the Department of Revenue. The vote taken tonight will be the final necessary vote.



Classes

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Residential (Res)

Single Family

Condominiums

Mobile Home

Multi-family

Apartments

Residential Land

Commercial, Industrial and Personal Property(CIP)

Office and Retail

Industrial & Manufacturing

Commercial & Industrial Zoned Land

Chapter Land

Personal Property (Business & Second Homes)

Tax Classification Hearing

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The purpose of this hearing is to determine whether the Town will continue to utilize a single tax rate for all classes of property or to split the tax rate, shifting the burden toward the Commercial, Industrial and Personal Property(CIP) from the Residential class.

Generally, an 80% Residential vs 20% CIP share of the overall property makeup is considered the minimum division at which to begin to consider a split tax rate. This is due to the fact that with a CIP share lower than 20% any shift results in a very small benefit to the residential and a larger burden for the CIP taxpayer without proper support from the tax base.

We have not yet reached that threshold.

CIP Breakdown	Percent of Total
Commercial	7.8
Industrial	1.7
Personal Property	5

Fiscal Year	Residential Ratio	CIP Ratio
2024	85.5	14.5
2023	85.1	14.9
2022	83.6	16.4
2021	83.4	16.6
2020	83.2	16.8
2019	83.2	16.8
2018	82.3	17.7
2017	82.1	17.9
2016	81.6	18.4
2015	82.1	17.9
2014	81.5	18.5



Our Res to CIP ratios have remained relatively steady over the past 14 years.

For Fiscal 2024, our average single family residential value has risen to \$424,000, average commercial value is \$737,000 and average industrial value is \$796,000. (rounded to nearest 1,000)

Last year our average single family residential value was \$378,000, average commercial value was \$724,000 and average industrial value was \$764,000.

I have used the average Single Family Residential and Commercial values as benchmarks in our shift illustration below:

CIP Shift	Res Rate	Res Tax	res save	Comm Rate	Comm Tax	comm increase
1	9.23	\$3,914		9.23	\$6,803	
1.1	9.07	\$3,846	(\$68)	10.15	\$7,481	\$678
1.2	8.92	\$3,782	(\$131)	11.08	\$8,166	\$1,363
1.3	8.76	\$3,714	(\$199)	12	\$8,844	\$2,041
1.4	8.61	\$3,651	(\$263)	12.92	\$9,522	\$2,720
1.5	8.45	\$3,583	(\$331)	13.84	\$10,200	\$3,398

*note: Tax amounts rounded

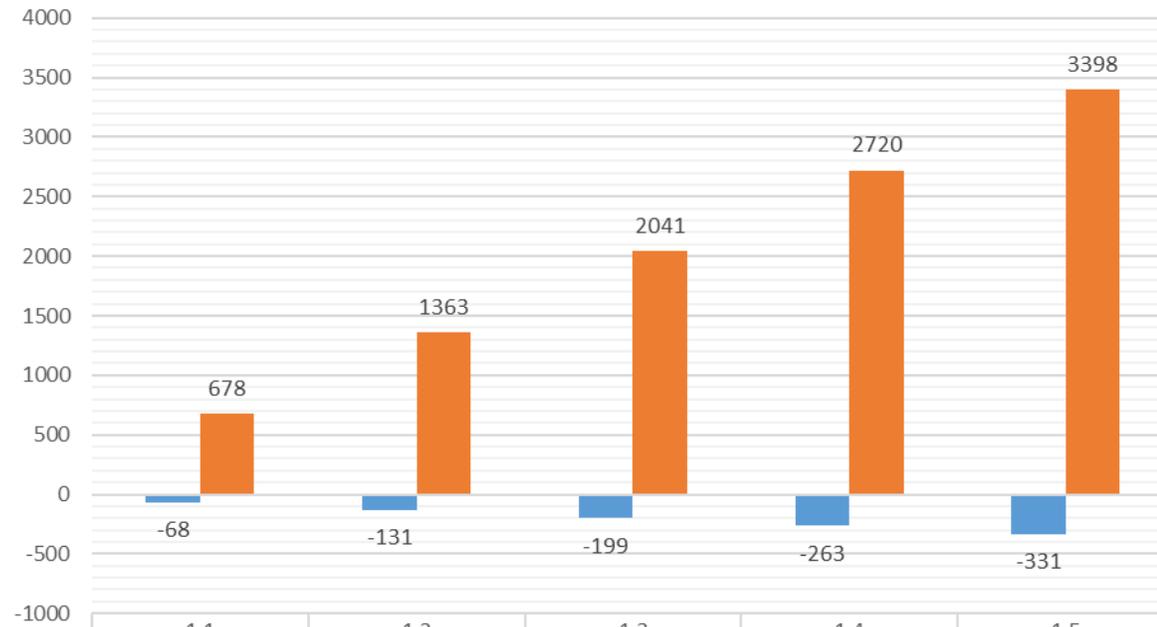
Note: Tax rate is per 1,000. Ex. $424,000 / 1000 = 424 \times 9.23 = 3,913.52$ rounded \$3,914

At the lowest shift point of 1.10, the Residential property would save \$68 and the Commercial bill would increase \$678.

At the highest possible shift of 1.50, the residential property would save \$331 and the Commercial bill would increase \$3,398.

Res Savings vs Comm Increase

■ RES SAVINGS ■ Comm increase



	1.1	1.2	1.3	1.4	1.5
■ RES SAVINGS	-68	-131	-199	-263	-331
■ Comm increase	678	1363	2041	2720	3398



SUMMARY AND CONSIDERATIONS

- A split rate does not increase revenue, it simply shifts the tax burden
- A shift would make Wareham less attractive to new development and small business relocation
- The shift would impact summer cottage residents, as their personal property taxes would increase
- Many of the Town's commercial properties are leased. Landlords typically pass the increases on to tenants, thus impacting our smaller businesses, which are typically locally owned.
- Business Personal Property would be taxed at the higher commercial rate
- Chapter Land including cranberry bogs, recreational land would be taxed at the higher commercial rate

Community Comparisons

Additional considerations include the demographics, assessed values and overall tax burden of the properties in our Community.

Statistics available at the Dept. of Revenue website show the Town of Wareham as having one of the lowest Average Single Family Tax bills in the Commonwealth for **Fiscal 2023**. **The State average tax bill was \$7,056.**

Municipality	Year	Single Family Parcels	Average Single Family Value	Single Family Tax Bill
Bourne	2023	7,830	627,591	5,529
Carver	2023	3,166	448,441	6,543
Marion	2023	2,272	844,953	7,976
Mattapoissett	2023	3,048	658,604	7,409
Middleborough	2023	5,727	431,739	6,148
Plymouth	2023	19,687	495,902	6,799
Rochester	2023	1,823	521,872	6,195
Wareham	2023	9,489	378,036	3,750

Source: Comm of Mass Division of Local Services **Data Analytics and Resources Bureau**

Town of Wareham		
Average Single Family Home Value		
Fiscal Year	Value	Count
2024	424,000	9493
2023	378,000	9489
2022	323,000	9475
2021	305,000	9444
2020	293,000	9426
2019	280,000	9407
2018	258,000	9382
2017	249,000	9357
2016	235,000	9333
2015	234,000	9296

Town of Wareham		
Average Industrial Value		
Fiscal Year	Value	Count
2024	796,000	102
2023	764,000	100
2022	694,000	101
2021	691,000	102
2020	674,000	103
2019	625,000	103
2018	621,000	105
2017	610,000	105
2016	608,000	108
2015	603,000	108

Town of Wareham		
Average Commercial Value		
Fiscal Year	Value	Count
2024	737,000	527
2023	724,000	525
2022	716,000	519
2021	707,000	519
2020	701,000	519
2019	679,000	526
2018	670,000	531
2017	655,000	542
2016	645,000	556
2015	619,000	559