

*Town of Weymouth
Massachusetts*

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Press Release

For Immediate Release – December 7, 2018

Approved Split Tax Rate Will Reduce the Overall Rate for Residential Properties

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Weymouth, MA – The Weymouth Town Council approved the split tax rate of 45% proposed by the Mayor and recommended by the Board of Assessors at their December 3rd meeting. The overall rate for FY19 will decrease for residential properties; however, rising home values will result in total property tax increases of about 3.6% for the average single-family homeowner. Despite the increases, the implementation of a split tax rate between residential properties and commercial, industrial, and personal (CIP) property means that homeowners will bear less of the tax burden.

“In light of rising property values, both residential and commercial, it is important that the Town adopt a tax rate that will not overburden our residents.” **said Mayor Robert Hedlund.** “Likewise, the Town needs to maintain a competitive commercial, industrial, and personal property tax rate so we can continue to attract businesses that are important to our local economy. By implementing a split rate, we are able to mitigate the increasing taxes homeowners are paying and not over-burden our business community.”

Because of Proposition 2½, the amount of tax revenue the Town can collect is restricted each year. Tax rates are set once the levy limit is determined. The levy limit, or the maximum dollar amount the town can raise in the fiscal year, is the sum of 1) the previous fiscal years’ levy + 2.5% and 2) new growth. New growth is any new construction or additions/improvements to property.

After the levy limit is determined, the tax rate is calculated. Municipal taxes are levied on four categories of property: residential, commercial, industrial, and personal property. In order to offset the tax burden that homeowners would bear, the Town has adopted a tax rate shift. This shifts the amount of the levy that real estate taxes account for and ultimately creates two tax rates: one for residential properties and a second commercial rate for CIP properties. The FY19 rates will be \$12.12 for residential property and \$19.05 for CIP.

The recently adopted FY19 residential rate, as proposed by the Board of Assessors and Mayor Hedlund, represents another consecutive year of decreasing tax rates due to the shift as well as the increasing values of properties. In FY18 the average single-family home was valued at \$355,307. In FY19, the average single-family home is valued at \$379,626 reflective of the increasing values of homes caused by market forces including inflation and the demand for housing. Because of the changing value of properties, the average tax bill for single-family homeowners will increase about 3.60% as compared to FY18. However, the proposed FY19 shift with a rate of \$12.12/\$1,000 will save the average single-family residence \$246 when compared to the single rate (no shift) of \$13.14/\$1,000 which would have meant a 5.12% increase in taxes for residential rates.

When compared to other surrounding communities, Weymouth maintains a competitive residential real estate tax rate as well as a competitive commercial, industrial, and personal property tax rate. When comparing FY18 rates, Weymouth has lower real estate tax rates than Abington, Holbrook, Hull, Plymouth and Quincy, among others. Despite the shift, this is also true for the commercial rates. Larger cities, such as Brockton and Taunton, have much higher CIP rates than Weymouth. In addition, Weymouth maintains a lower CIP rate than several surrounding towns, including Randolph and Braintree, as well as other communities that would compete to attract commercial or industrial business such as Canton, Milton, or Dedham. It is important that the Town maintains a competitive CIP rate so as to retain existing businesses as well as attract new businesses and encourage new growth.

A number of Massachusetts laws regulate the assessment process beyond Proposition 2 ½ and provide for tax relief through exemptions or deferral programs available to qualified homeowners. Exemptions are available for surviving spouses, qualified veteran homeowners, elderly homeowners, homeowners who are legally blind, and a surviving spouse of a firefighter or police officer killed in the line of duty. In addition, deferral programs are available to homeowners over the age of 65. Residents can learn more about tax relief programs by contacting the Assessor's Office at 781-682-3852.

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