

**BOARD OF ASSESSORS**  
Kevin S. Sullivan  
John J. Duffett  
Samuel P. Chase



**CHIEF ASSESSOR**  
Frank T. Reen M.A.A.  
50 Billerica Road  
Chelmsford, MA 01824

# **Assessment Process and Data Review**

## **FY 2021**

Prepared for the Select Board

### **Tax Classification Public Hearing**

November 16, 2020

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- Public Hearing held every year, as required by law
- Purpose is to provide an open forum for the public discussion of local property tax policy
- After public discussion and review, the Select Board decides whether to tax all classes of property at the same, or different rates

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- Review Areas:
  - Evaluation requirements, methods, application, and use
    - Residential
    - Commercial/Industrial
    - Personal Property
    - Open Space
  - Abatements, and Compliance
  - Split Tax Rate, Minimum Residential Factor (MRF)
  - Historical Review of Tax Rates, Value & Levy Shares
  - Effect of various rates of shift on the tax rate for each property class



– Exemptions, Abatements, and Compliance

– Small Commercial Exemption. A commercial parcel:

- Must be valued at less than \$1,000,000
- Qualifies only if all occupants are eligible businesses
- A business is eligible only if it has no more than 10 employees at all its locations
- Shifts tax burden to remainder of CI property owners

– Residential Exemption:

- May be granted to taxpayer “principal residence” properties
- Reduces the taxable valuation of the property up to 35% of the average assessed value of all residential class properties in the municipality
- Shifts tax burden to apartments, seasonal, and higher value homes

– Open Space Discount:

- This adoption exempts up to 25% of the value of land that is classified as open space.
- Open space is land that is not otherwise classified and is maintained in a natural state.
- The reduction in taxes is shifted to the remaining residential class.

Abatements	Res		C/I		
	Year	Filed	Abated	Filed	Abated
	FY20	51	28	73	18
	FY19	54	28	73	18
	FY18	38	18	25	19

– Commercial property owner annual I/E submission requirement:

- February of 2020 603 forms mailed, 253 returned, compliance rate = 42%
- FY20 60%
- FY19 51%
- FY18 54%

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## – Split Tax Rate, Minimum Residential Factor (MRF)

- If at least 65% of levy on a single rate basis comes from the Residential property class, then the levy share raised by CIP may be increased by 50%
- DOR determines proportionate decrease in residential levy share if CIP levy share is increased by 50% above what it would be under a uniform tax rate
- The DOR determination becomes the Minimum Residential Factor (MRF)
- If MRF is less than .65, then the municipality must use a factor < 50% for the CIP
- $MRF = 100\% - (CIP \times 150\%) / \text{Full and Fair Cash Residential Value}$

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	LEVY	LEVY								
FISCAL	RES	CIP	RES				AVERAGE		AVG SF	AVG TAX
YEAR	SHARE	SHARE	TAX RATE	LEVY TOTAL	RESIDENTIAL	CIP	SF VALUE	HI-LO	TAX BILL	INCR
2009	80.51	19.49	14.07	71,349,239	57,440,012	13,909,227	360,280	73	5,069	
2010	80.42	19.58	15.15	73,559,750	59,292,284	14,267,466	347,700	67	5,268	199
2011	80.04	19.96	16.72	76,402,356	61,152,445	15,249,911	324,600	70	5,427	160
2012	80.45	19.55	17.49	78,965,974	63,524,613	15,441,361	323,200	70	5,653	225
2013	80.47	19.53	17.95	80,392,117	64,691,537	15,700,580	323,052	70	5,799	146
2014	80.68	19.32	18.98	84,216,426	67,943,960	16,272,466	322,380	67	6,119	320
2015	80.64	19.36	18.70	87,000,514	70,159,042	16,841,473	338,434	69	6,329	210
2016	80.68	19.32	18.03	89,718,236	72,386,736	17,331,500	362,700	71	6,539	211
2017	81.41	18.59	17.92	95,241,698	77,535,885	17,705,813	385,700	68	6,912	372
2018	81.66	18.34	17.96	97,968,735	80,002,323	17,966,412	399,500	66	7,175	263
2019	82.09	17.91	16.35	101,743,908	83,525,790	18,218,118	428,333	70	7,003	(172)
2020	78.82	21.18	16.45	105,976,214	87,572,053	18,404,161	447,600	68	7,363	360
2021	79.26	20.74	15.71	106,617,391	88,484,321	18,133,070	470,830		7,397	34

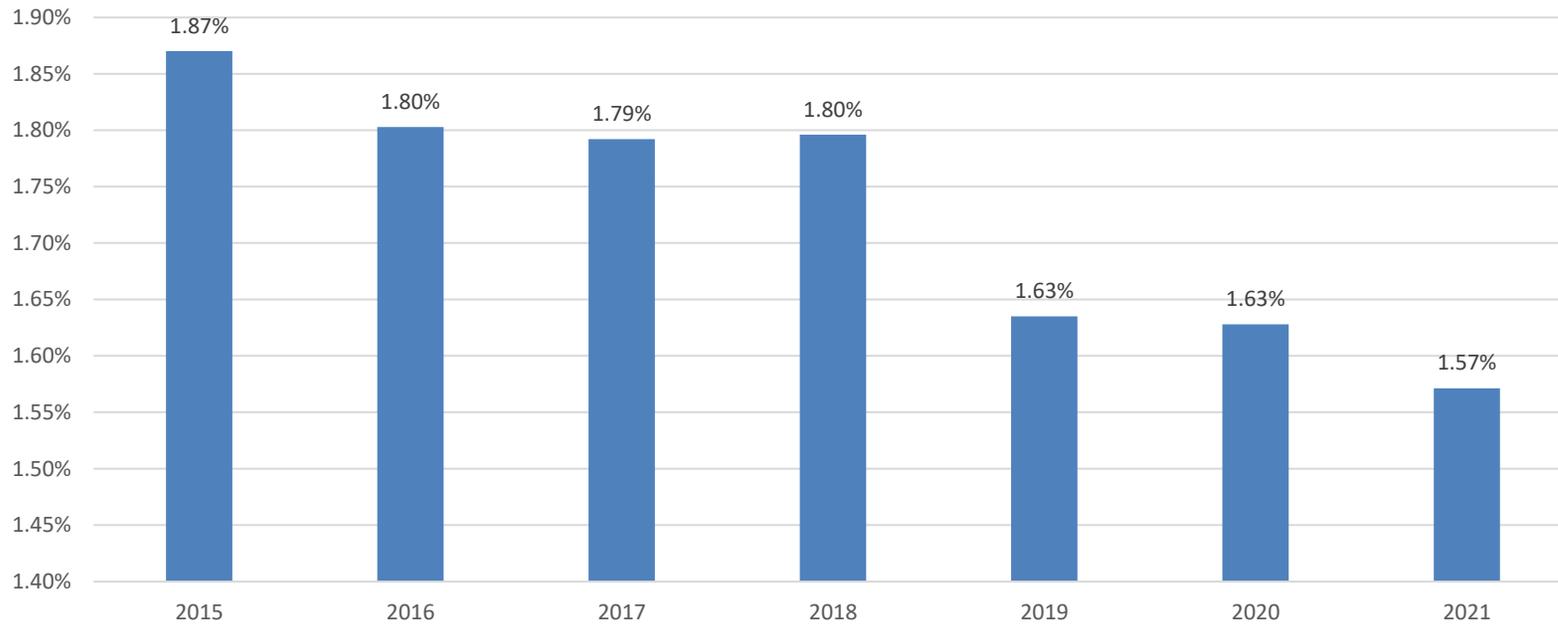
- The Avg SF Value increased 5.20%
- The Avg C/I Value increased .93%
- Res Value Share 5.97%
- CIP Value Share 3.30%

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Avg Res Tax Bill % of Avg Assessed Value

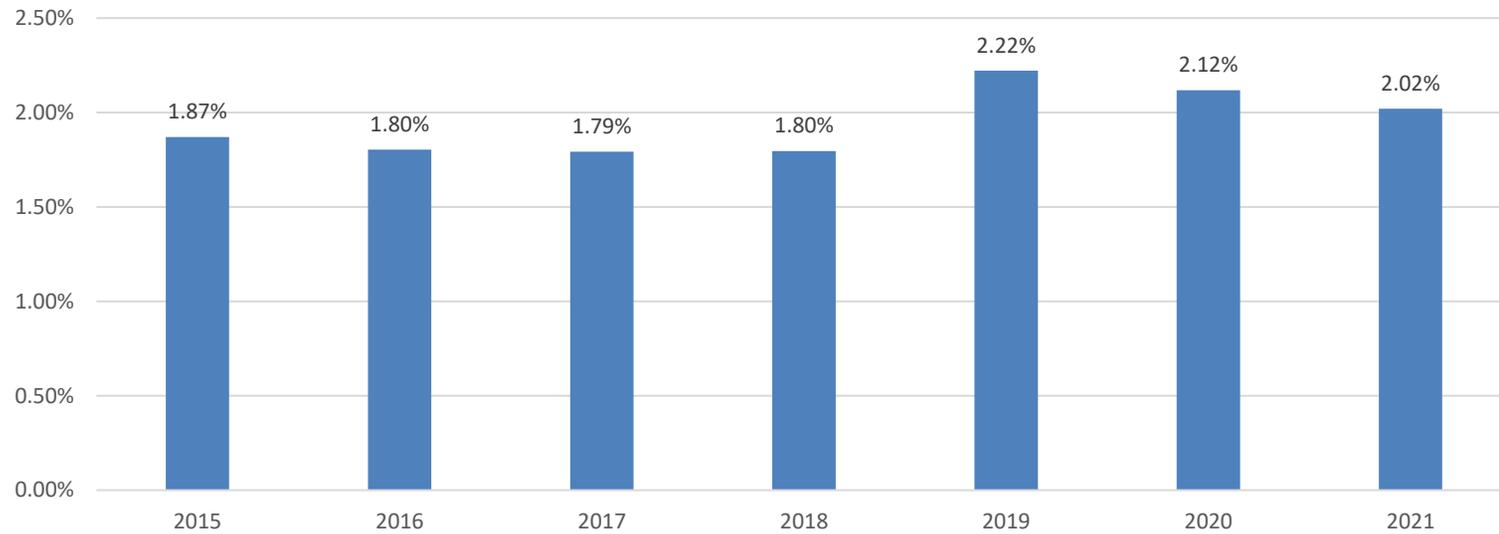


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Avg CI Tax Bill % of Avg Assessed Value



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## Historical Review of Surrounding Communities Single Family Taxes

Shift	1.22	Perc	1.56	Perc	1.00	Perc	1.00	Perc	1.75	Perc	1.00	Perc	1.41	Perc	1.00	Perc	1.75	Perc	1.00	Perc	1.75	Perc
FY	Chelmsford	Chng	Tewksbury	Chng	Dracut	Chng	Westford	Chng	Billerica	Chng	Carlisle	Chng	Littleton	Chng	Tyngsboro	Chng	Lowell	Chng	Acton	Chng	Bedford	Chng
2000	3,385		2,479		2,344		3,946		2,379		7,023		2,866		3,129		1,998		5,118		3,726	
2001	3,529	4.25%	2,688	8.43%	2,422	3.33%	4,572	15.86%	2,471	3.87%	7,367	4.90%	2,989	4.29%	3,370	7.70%	1,995	-0.15%	5,410	5.71%	4,016	7.78%
2002	3,711	5.16%	2,786	3.65%	2,537	4.75%	4,743	3.74%	2,628	6.35%	7,913	7.41%	3,128	4.65%	3,532	4.81%	2,174	8.97%	5,754	6.36%	4,089	1.82%
2003	3,948	6.39%	2,931	5.20%	2,646	4.30%	5,039	6.24%	2,891	10.01%	8,565	8.24%	3,300	5.50%	3,762	6.51%	2,182	0.37%	5,914	2.78%	4,582	12.06%
2004	4,212	6.69%	3,143	7.23%	2,752	4.01%	5,396	7.08%	3,162	9.37%	9,016	5.27%	3,917	18.70%	3,911	3.96%	2,216	1.56%	6,549	10.74%	5,031	9.80%
2005	4,467	6.05%	3,343	6.36%	2,835	3.02%	5,704	5.71%	3,449	9.08%	9,224	2.31%	4,119	5.16%	4,024	2.89%	2,478	11.82%	6,900	5.36%	5,440	8.13%
2006	4,688	4.95%	3,610	7.99%	2,990	5.47%	5,961	4.51%	3,696	7.16%	9,588	3.95%	4,654	12.99%	4,274	6.21%	2,634	6.30%	7,724	11.94%	5,861	7.74%
2007	4,966	5.93%	3,742	3.66%	3,092	3.41%	6,161	3.36%	3,780	2.27%	9,833	2.56%	5,035	8.19%	4,275	0.02%	2,858	8.50%	7,926	2.62%	5,969	1.84%
2008	5,105	2.80%	3,850	2.89%	3,206	3.69%	6,269	1.75%	3,873	2.46%	10,610	7.90%	5,163	2.54%	4,332	1.33%	2,887	1.01%	8,051	1.58%	6,086	1.96%
2009	5,069	-0.71%	3,946	2.49%	3,253	1.47%	6,415	2.33%	3,958	2.19%	10,913	2.86%	5,321	3.06%	4,419	2.01%	2,940	1.84%	8,388	4.19%	6,416	5.42%
2010	5,267	3.91%	4,034	2.23%	3,372	3.66%	6,594	2.79%	4,077	3.01%	11,276	3.33%	5,415	1.77%	4,525	2.40%	3,072	4.49%	8,767	4.52%	6,627	3.29%
2011	5,427	3.04%	4,160	3.12%	3,449	2.28%	6,719	1.90%	4,246	4.15%	11,650	3.32%	5,656	4.45%	4,507	-0.40%	3,205	4.33%	9,049	3.22%	7,358	11.03%
2012	5,653	4.16%	4,712	13.27%	3,583	3.89%	6,901	2.71%	4,366	2.83%	11,900	2.15%	5,960	5.37%	4,838	7.34%	3,236	0.97%	9,259	2.32%	7,883	7.14%
2013	5,799	2.58%	4,888	3.74%	3,698	3.21%	7,097	2.84%	4,468	2.34%	11,960	0.50%	6,222	4.40%	5,034	4.05%	3,273	1.14%	9,650	4.22%	7,963	1.01%
2014	6,119	5.52%	5,066	3.64%	3,891	5.22%	7,312	3.03%	4,566	2.19%	12,732	6.45%	6,396	2.80%	5,196	3.22%	3,273	0.00%	9,832	1.89%	8,461	6.25%
2015	6,329	3.43%	5,355	5.70%	4,159	6.89%	7,543	3.16%	4,563	-0.07%	13,127	3.10%	6,724	5.13%	5,415	4.21%	3,480	6.32%	10,128	3.01%	8,607	1.73%
2016	6,540	3.33%	5,615	4.86%	4,306	3.53%	7,797	3.37%	4,683	2.63%	13,588	3.51%	6,999	4.09%	5,750	6.19%	3,599	3.42%	10,382	2.51%	9,103	5.76%
2017	6,912	5.69%	5,840	4.01%	4,440	3.11%	8,054	3.30%	4,784	2.16%	14,062	3.49%	7,288	4.13%	5,921	2.97%	3,788	5.25%	10,696	3.02%	9,508	4.45%
2018	7,175	3.80%	6,054	3.66%	4,587	3.31%	8,420	4.54%	5,087	6.33%	14,701	4.54%	7,594	4.20%	6,166	4.14%	3,951	4.30%	10,974	2.60%	9,265	-2.56%
2019	7,003	-2.40%	6,415	5.96%	4,728	3.07%	8,821	4.76%	5,328	4.74%	15,016	2.14%	7,940	4.56%	6,265	1.61%	4,066	2.91%	11,318	3.13%	9,442	1.91%
2020	7,362	5.13%	6,921	7.89%	4,880	3.21%	9,238	4.73%	5,522	3.64%	15,423	2.71%	8,270	4.16%	6,508	3.88%	4,168	2.51%	11,790	4.17%	9,769	3.46%
Avg Incr since 2001		3.99%		5.30%		3.74%		4.39%		4.34%		4.03%		5.51%		3.75%		3.79%		4.29%		5.00%

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**Data on Northern Middlesex Communities**

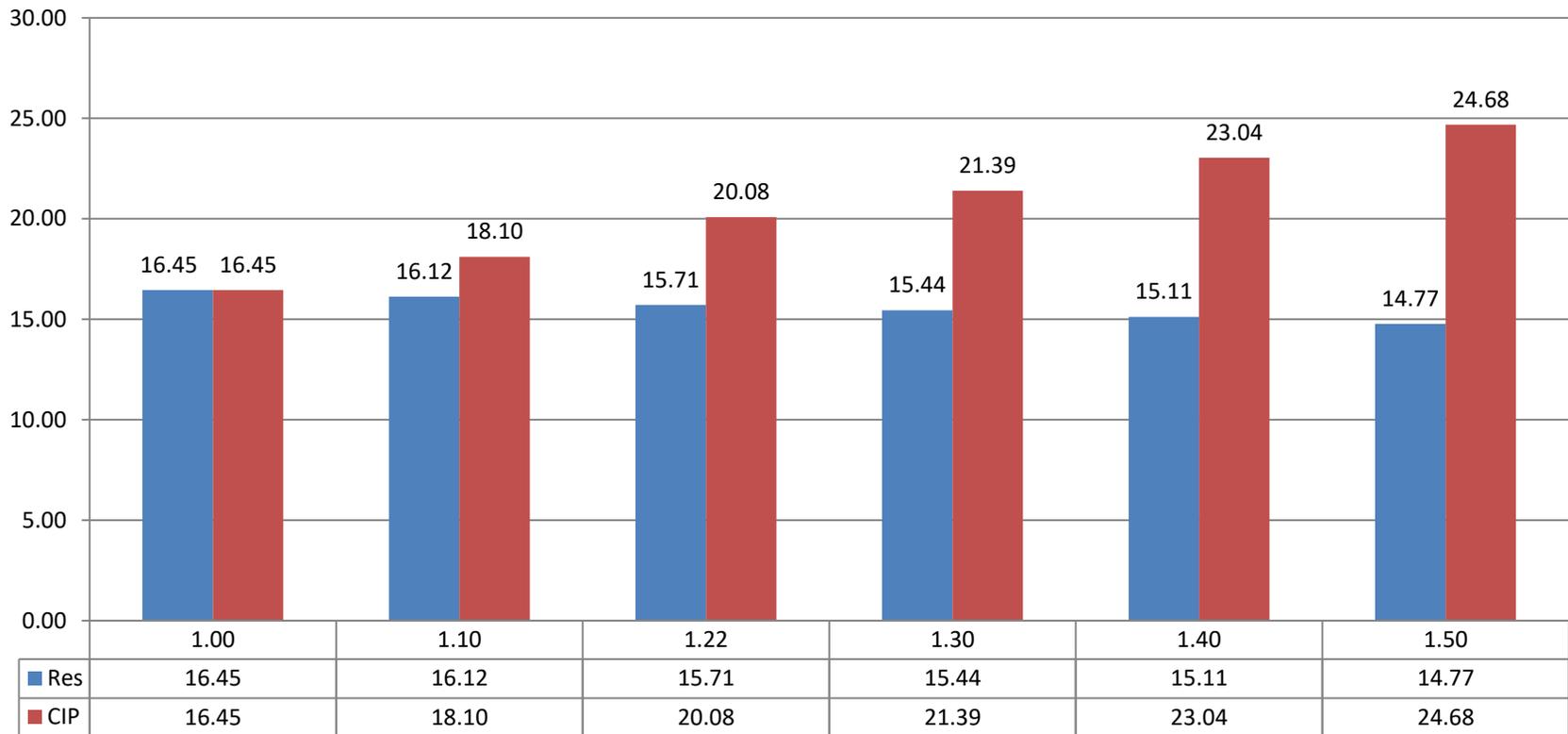
Municipality	CIP Value	Residential	Total Value	R/O % of Total Value	CIP % of Total Value	CIP Shift	Single Family Parcels	Average Single Family Value	Single Family Tax Bill	Rank
Chelmsford	1,066,449,735	5,074,460,845	6,140,910,580	82.6337	17.3663	1.22	9,060	447,553	7,362	68
Billerica	1,848,431,918	5,705,759,937	7,554,191,855	75.5310	24.4690	1.75	10,893	425,081	5,522	149
Lowell	1,305,953,889	7,737,369,585	9,043,323,474	85.5589	14.4411	1.75	11,879	312,007	4,168	246
Tewksbury	866,408,864	4,397,308,166	5,263,717,030	83.5400	16.4600	1.56	7,848	433,362	6,921	78
Tyngsborough	221,180,006	1,556,984,594	1,778,164,600	87.5613	12.4387	1.00	3,192	400,516	6,508	99
Westford	594,545,372	4,416,604,904	5,011,150,276	88.1355	11.8645	1.00	6,436	565,694	9,238	35
Carlisle	27,617,731	1,528,667,064	1,556,284,795	98.2254	1.7746	1.00	1,719	840,014	15,423	7
Bedford	866,554,084	3,199,615,985	4,066,170,069	78.6887	21.3113	1.75	3,454	741,167	9,769	31
Acton	503,022,822	4,152,078,981	4,655,101,803	89.1941	10.8059	1.00	4,975	612,787	11,790	17
Littleton	454,212,987	1,606,645,605	2,060,858,592	77.9600	22.0400	1.41	3,029	465,384	8,270	50
Groton	111,749,015	1,828,596,191	1,940,345,206	94.2408	5.7592	1.00	3,225	498,184	8,658	45
Dunstable	17,326,887	555,770,140	573,097,027	96.9766	3.0234	1.00	1,091	470,480	7,923	57
Dracut	341,166,376	3,552,308,629	3,893,475,005	91.2375	8.7625	1.00	7,781	365,522	4,880	189
Wilmington	1,142,170,188	3,839,056,301	4,981,226,489	77.0705	22.9295	1.75	7,101	506,113	6,873	84
Burlington	2,862,310,954	4,583,885,284	7,446,196,238	61.5601	38.4399	1.62	6,580	566,991	5,466	154
Methuen	819,512,891	5,322,029,222	6,141,542,113	86.6562	13.3438	1.75	10,851	355,280	4,775	195
Lawrence	971,087,302	3,868,950,211	4,840,037,513	79.9364	20.0636	1.75	4,280	264,893	3,293	308
North Andover	704,361,714	4,649,933,010	5,354,294,724	86.8449	13.1551	1.29	6,326	553,731	7,608	63
North Reading	424,381,812	2,985,474,038	3,409,855,850	87.5543	12.4457	1.00	4,278	601,334	9,381	34
Lexington	1,438,342,965	11,160,005,132	12,598,348,097	88.5831	11.4169	1.75	9,048	1,106,526	15,547	6
Lincoln	74,389,711	2,105,793,740	2,180,183,451	96.5879	3.4121	1.30	1,525	1,178,219	18,097	2
Wayland	183,088,034	3,811,844,266	3,994,932,300	95.4170	4.5830	1.00	4,075	800,314	14,214	9
Stow	99,514,417	1,258,652,500	1,358,166,917	92.6729	7.3271	1.00	2,104	495,763	10,218	27
Boxborough	243,450,952	938,228,640	1,181,679,592	79.3979	20.6021	1.00	1,203	608,780	10,179	28
Ayer	429,287,890	871,752,300	1,301,040,190	67.0043	32.9957	1.54	1,659	350,208	4,938	185
Shirley	84,130,223	639,173,415	723,303,638	88.3686	11.6314	1.00	1,554	318,236	5,127	174
Pepperell	86,766,765	1,336,472,622	1,423,239,387	93.9036	6.0964	1.00	3,169	356,572	6,055	118
Woburn	2,418,312,761	6,105,390,499	8,523,703,260	71.6284	28.3716	1.75	8,100	501,809	4,677	213

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## Shift Impact



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Levy	Res	Com	Ind	PP					250,000	350,000	471	470,830		1,357,072		
Shift	Res.	Comm.	Ind.	PP	Res	CIP	Ind	PP	Res.	Res.	Res.	Res Tax	% chng	C/I	C/I	Residential
									Tax	Tax	Tax	Change		Tax	Change	Factor
1.00	82.9972	7.2119	6.7165	3.0743	16.46	16.46	16.46	16.46	4,114	5,759	7,748	-	0.00%	22,331	-	1.0000
1.01	82.8272	7.2840	6.7837	3.1051	16.42	16.62	16.62	16.62	4,105	5,748	7,732	(15.87)	-0.20%	22,554	223.31	0.9980
1.02	82.6572	7.3562	6.8509	3.1358	16.39	16.78	16.78	16.78	4,097	5,736	7,716	(31.74)	-0.41%	22,778	446.62	0.9959
1.03	82.4871	7.4283	6.9180	3.1666	16.35	16.95	16.95	16.95	4,089	5,724	7,700	(47.62)	-0.61%	23,001	669.93	0.9939
1.04	82.3171	7.5004	6.9852	3.1973	16.32	17.11	17.11	17.11	4,080	5,712	7,684	(63.49)	-0.82%	23,224	893.25	0.9918
1.05	82.1471	7.5725	7.0524	3.2281	16.29	17.28	17.28	17.28	4,072	5,700	7,668	(79.36)	-1.02%	23,448	1,116.56	0.9898
1.06	81.9770	7.6446	7.1195	3.2588	16.25	17.44	17.44	17.44	4,063	5,689	7,652	(95.23)	-1.23%	23,671	1,339.87	0.9877
1.07	81.8070	7.7168	7.1867	3.2895	16.22	17.61	17.61	17.61	4,055	5,677	7,637	(111.10)	-1.43%	23,894	1,563.18	0.9857
1.08	81.6370	7.7889	7.2538	3.3203	16.19	17.77	17.77	17.77	4,046	5,665	7,621	(126.98)	-1.64%	24,118	1,786.49	0.9836
1.09	81.4670	7.8610	7.3210	3.3510	16.15	17.94	17.94	17.94	4,038	5,653	7,605	(142.85)	-1.84%	24,341	2,009.80	0.9816
1.10	81.2969	7.9331	7.3882	3.3818	16.12	18.10	18.10	18.10	4,030	5,641	7,589	(158.72)	-2.05%	24,564	2,233.11	0.9795
1.11	81.1269	8.0052	7.4553	3.4125	16.08	18.27	18.27	18.27	4,021	5,630	7,573	(174.59)	-2.25%	24,788	2,456.42	0.9775
1.12	80.9569	8.0774	7.5225	3.4433	16.05	18.43	18.43	18.43	4,013	5,618	7,557	(190.46)	-2.46%	25,011	2,679.74	0.9754
1.13	80.7868	8.1495	7.5897	3.4740	16.02	18.59	18.59	18.59	4,004	5,606	7,541	(206.33)	-2.66%	25,234	2,903.05	0.9734
1.14	80.6168	8.2216	7.6568	3.5047	15.98	18.76	18.76	18.76	3,996	5,594	7,525	(222.21)	-2.87%	25,457	3,126.36	0.9713
1.15	80.4468	8.2937	7.7240	3.5355	15.95	18.92	18.92	18.92	3,987	5,582	7,510	(238.08)	-3.07%	25,681	3,349.67	0.9693
1.16	80.2768	8.3658	7.7912	3.5662	15.92	19.09	19.09	19.09	3,979	5,571	7,494	(253.95)	-3.28%	25,904	3,572.98	0.9672
1.17	80.1067	8.4380	7.8583	3.5970	15.88	19.25	19.25	19.25	3,971	5,559	7,478	(269.82)	-3.48%	26,127	3,796.29	0.9652
1.18	79.9367	8.5101	7.9255	3.6277	15.85	19.42	19.42	19.42	3,962	5,547	7,462	(285.69)	-3.69%	26,351	4,019.60	0.9631
1.19	79.7667	8.5822	7.9927	3.6585	15.81	19.58	19.58	19.58	3,954	5,535	7,446	(301.57)	-3.89%	26,574	4,242.91	0.9611
1.20	79.5967	8.6543	8.0598	3.6892	15.78	19.75	19.75	19.75	3,945	5,523	7,430	(317.44)	-4.10%	26,797	4,466.23	0.9590
1.21	79.4266	8.7264	8.1270	3.7199	15.75	19.91	19.91	19.91	3,937	5,512	7,414	(333.31)	-4.30%	27,021	4,689.54	0.9570
1.22	79.2566	8.7986	8.1942	3.7507	15.71	20.08	20.08	20.08	3,928	5,500	7,399	(349.18)	-4.51%	27,244	4,912.85	0.9549
1.23	79.0866	8.8707	8.2613	3.7814	15.68	20.24	20.24	20.24	3,920	5,488	7,383	(365.05)	-4.71%	27,467	5,136.16	0.9529
1.24	78.9165	8.9428	8.3285	3.8122	15.65	20.40	20.40	20.40	3,912	5,476	7,367	(380.93)	-4.92%	27,691	5,359.47	0.9508
1.25	78.7465	9.0149	8.3957	3.8429	15.61	20.57	20.57	20.57	3,903	5,464	7,351	(396.80)	-5.12%	27,914	5,582.78	0.9488
1.26	78.5765	9.0870	8.4628	3.8737	15.58	20.73	20.73	20.73	3,895	5,453	7,335	(412.67)	-5.33%	28,137	5,806.09	0.9467
1.27	78.4065	9.1591	8.5300	3.9044	15.55	20.90	20.90	20.90	3,886	5,441	7,319	(428.54)	-5.53%	28,361	6,029.41	0.9447
1.28	78.2364	9.2313	8.5972	3.9352	15.51	21.06	21.06	21.06	3,878	5,429	7,303	(444.41)	-5.74%	28,584	6,252.72	0.9426
1.29	78.0664	9.3034	8.6643	3.9659	15.48	21.23	21.23	21.23	3,869	5,417	7,287	(460.28)	-5.94%	28,807	6,476.03	0.9406
1.30	77.8964	9.3755	8.7315	3.9966	15.44	21.39	21.39	21.39	3,861	5,405	7,272	(476.16)	-6.15%	29,030	6,699.34	0.9385
1.31	77.7263	9.4476	8.7986	4.0274	15.41	21.56	21.56	21.56	3,853	5,394	7,256	(492.03)	-6.35%	29,254	6,922.65	0.9365
1.32	77.5563	9.5197	8.8658	4.0581	15.38	21.72	21.72	21.72	3,844	5,382	7,240	(507.90)	-6.56%	29,477	7,145.96	0.9344
1.33	77.3863	9.5919	8.9330	4.0889	15.34	21.89	21.89	21.89	3,836	5,370	7,224	(523.77)	-6.76%	29,700	7,369.27	0.9324
1.34	77.2163	9.6640	9.0001	4.1196	15.31	22.05	22.05	22.05	3,827	5,358	7,208	(539.64)	-6.97%	29,924	7,592.58	0.9303
1.35	77.0462	9.7361	9.0673	4.1504	15.28	22.21	22.21	22.21	3,819	5,346	7,192	(555.52)	-7.17%	30,147	7,815.90	0.9283
1.36	76.8762	9.8082	9.1345	4.1811	15.24	22.38	22.38	22.38	3,810	5,335	7,176	(571.39)	-7.37%	30,370	8,039.21	0.9263
1.37	76.7062	9.8803	9.2016	4.2118	15.21	22.54	22.54	22.54	3,802	5,323	7,160	(587.26)	-7.58%	30,594	8,262.52	0.9242
1.38	76.5362	9.9525	9.2688	4.2426	15.17	22.71	22.71	22.71	3,794	5,311	7,145	(603.13)	-7.78%	30,817	8,485.83	0.9222
1.39	76.3661	10.0246	9.3360	4.2733	15.14	22.87	22.87	22.87	3,785	5,299	7,129	(619.00)	-7.99%	31,040	8,709.14	0.9201
1.40	76.1961	10.0967	9.4031	4.3041	15.11	23.04	23.04	23.04	3,777	5,287	7,113	(634.88)	-8.19%	31,264	8,932.45	0.9181
1.41	76.0261	10.1688	9.4703	4.3348	15.07	23.20	23.20	23.20	3,768	5,276	7,097	(650.75)	-8.40%	31,487	9,155.76	0.9160
1.42	75.8560	10.2409	9.5375	4.3656	15.04	23.37	23.37	23.37	3,760	5,264	7,081	(666.62)	-8.60%	31,710	9,379.07	0.9140
1.43	75.6860	10.3131	9.6046	4.3963	15.01	23.53	23.53	23.53	3,751	5,252	7,065	(682.49)	-8.81%	31,934	9,602.39	0.9119
1.44	75.5160	10.3852	9.6718	4.4270	14.97	23.70	23.70	23.70	3,743	5,240	7,049	(698.36)	-9.01%	32,157	9,825.70	0.9099
1.45	75.3460	10.4573	9.7390	4.4578	14.94	23.86	23.86	23.86	3,735	5,228	7,033	(714.23)	-9.22%	32,380	10,049.01	0.9078
1.46	75.1759	10.5294	9.8061	4.4885	14.90	24.02	24.02	24.02	3,726	5,217	7,018	(730.11)	-9.42%	32,603	10,272.32	0.9058
1.47	75.0059	10.6015	9.8733	4.5193	14.87	24.19	24.19	24.19	3,718	5,205	7,002	(745.98)	-9.63%	32,827	10,495.63	0.9037
1.48	74.8359	10.6737	9.9405	4.5500	14.84	24.35	24.35	24.35	3,709	5,193	6,986	(761.85)	-9.83%	33,050	10,718.94	0.9017
1.49	74.6658	10.7458	10.0076	4.5808	14.80	24.52	24.52	24.52	3,701	5,181	6,970	(777.72)	-10.04%	33,273	10,942.25	0.8996
1.50	74.4958	10.8179	10.0748	4.6115	14.77	24.68	24.68	24.68	3,692	5,169	6,954	(793.59)	-10.24%	33,497	11,165.56	0.8976

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50 Billerica Road  
Chelmsford, MA 01824

## **Residential Exemption**

- The residential exemption, MGL c. 59, § 5C, is a not-oftentimes voted provision of the 1979 classification law that shifts the tax burden within the Residential class from the lower valued properties to the higher valued ones and to those owned by nonresidents.
- The Residential Exemption does not apply to accessory land incidental to a residential use, summer homes or to residential property not occupied by its owner.
- Adopting a Residential Exemption increases the Residential Tax Rate. This higher rate creates a shift within the Residential Class that reduces the taxes paid by homeowners with moderately valued properties.
- CIP are unaffected by this exemption.

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## Residential Exemption

- By statute the exemption may be no more than 35% of the average assessed value of all class one, residential parcels;
- May be applied to a residential parcel that is the owner's principal place of residence as of January 1, as used for state income tax purposes;
- May be granted in addition to any other exemptions allowable under MGL c.59, § 5
- For FY 2020 the average Residential Value is \$422,600, this includes all residential parcels.

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For illustration purposes chart assumes 10% adopted Residential Exemption and Single Tax Rate.

<i>Property Value</i>	<i>FY21 Taxes</i>	<i>Residential - owner occupied</i>		<i>Residential - non-owner occupied</i>	
		<i>Tax w/SPLIT+SCE</i>	<i>Difference</i>	<i>Tax w/RE</i>	<i>Difference</i>
\$200,000	\$3,291	\$2,859	(\$432)	\$3,625	\$334
\$300,000	\$4,937	\$4,672	(\$265)	\$5,438	\$501
\$425,000	\$6,994	\$6,938	(\$56)	\$7,704	\$710
<b>\$447,600</b>	<b>\$7,365</b>	<b>\$7,347</b>	<b>(\$18)</b>	<b>\$8,113</b>	<b>\$748</b>
\$500,000	\$8,228	\$8,297	\$69	\$9,063	\$835
\$550,000	\$9,050	\$9,203	\$153	\$9,969	\$919
\$600,000	\$9,873	\$10,110	\$237	\$10,876	\$1,003
\$800,000	\$13,164	\$13,735	\$571	\$14,501	\$1,337
\$999,999	\$16,455	\$17,360	\$905	\$18,126	\$1,671
\$1,002,200	\$16,492	\$17,400	\$909	\$18,166	\$1,675
\$2,000,000	\$32,911	\$35,487	\$2,576	\$36,253	\$3,342
\$4,000,000	\$65,822	\$71,739	\$5,918	\$72,505	\$6,684
\$8,000,000	\$131,643	\$144,244	\$12,601	\$145,010	\$13,367
\$20,738,500	\$341,260	\$375,146	\$33,886	\$375,912	\$34,652

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## Small Commercial Exemption

- Adopting the SCE shifts the tax burden, by the adopted percentage, (up to 10%) from eligible Commercial parcels to non-eligible Commercial parcels and all Industrial parcels. Residential and Personal Property parcels/accounts are unaffected by this exemption.

### To be eligible a Commercial Parcel must:

- Be valued at no more than 1,000,000.
- Have 10 or fewer FTE at all locations.
- Businesses certified by the Director of the Department of Unemployment Assistance as having had an average annual employment of ten or fewer people at all locations during calendar year 2019 qualify for the exemption.
- The owner of the parcel receives the exemption not the eligible business(s).

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### Small Commercial Exemption and Impact on Taxes

	<i>Single Rate</i>	<i>CI - non-eligible parcels</i>		<i>CI - eligible parcels</i>	
<b>Property Value</b>	<b>2021 Taxes</b>	<b>Tax w/SPLIT+SCE</b>	<b>Difference</b>	<b>Tax w/SPLIT+SCE</b>	<b>Difference</b>
\$400,000	\$6,582	\$8,080	\$1,498	\$7,272	\$690
\$450,000	\$7,405	\$9,091	\$1,686	\$8,181	\$777
\$500,000	\$8,228	\$10,101	\$1,873	\$9,091	\$863
\$550,000	\$9,050	\$11,111	\$2,060	\$10,000	\$949
\$600,000	\$9,873	\$12,121	\$2,247	\$10,909	\$1,035
\$800,000	\$13,164	\$16,161	\$2,997	\$14,545	\$1,381
\$999,999	\$16,455	\$20,201	\$3,746	\$18,181	\$1,726
\$1,002,200	\$16,492	\$20,246	\$3,754	n/a	n/a
\$2,000,000	\$32,911	\$40,402	\$7,491	n/a	n/a
\$4,000,000	\$65,822	\$80,804	\$14,983	n/a	n/a
\$8,000,000	\$131,643	\$161,609	\$29,966	n/a	n/a
\$24,250,400	\$399,049	\$489,885	\$90,836	n/a	n/a