



# Using Data to Help Decision Makers

Tax Classification With the Help  
of the Municipal Databank

# Terms to Know

- CIP: Commercial, Industrial, Personal
- MRF:
- Shift factor:



# Tax Classification: An Opportunity to Educate

Clearly outline the purpose of tax classification. Why are we here?

- Selection of a minimum residential factor
- Selection of a discount for open space
- Granting of a residential exemption
- Granting of a small commercial exemption



# Residential Example

Anticipated FY 2024 average tax bill  
amounts at various shift intervals



Avg. single-family  
home value



<b>CIP Shift</b>	<b>MRF</b>	<b>Res. %</b>	<b>Res. Tax Rate</b>	<b>Estimated Bill</b>
1	1.0000	93.7063	\$11.81	\$10,145
1.03	.997985	93.5175	\$11.78	\$10,119
1.05	.996642	93.3916	\$11.77	\$10,110
1.07	.995299	93.2658	\$11.75	\$10,093
1.09	.993955	93.1399	\$11.73	\$10,076

Assumes an average residential value of \$859, 000



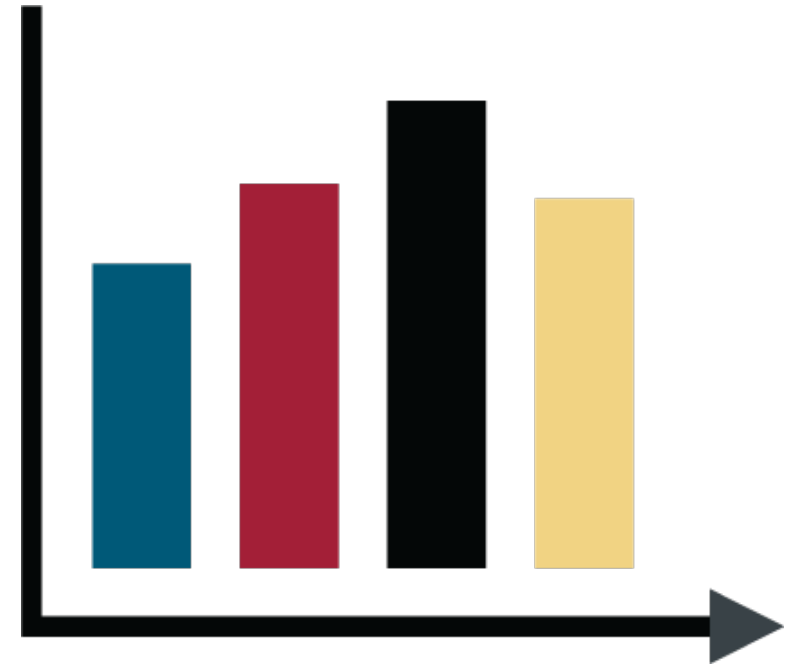
Show Some History



<b>Fiscal Year</b>	<b>Single Fam. Assessed Values</b>	<b>Single Fam. Parcel</b>	<b>Single Fam. Avg. Value</b>	<b>Residential Tax Rate</b>	<b>Avg. Single Fam Tax Bill</b>	<b>Percent Change</b>
2016	\$3,266,065,400	6,539	\$499,500	14.51	\$7,248	6.15%
2018	\$3,666,153,000	6,549	\$559,803	13.87	\$7,761	3.62%
2020	\$4,117,586,400	6,566	\$627,104	13.96	\$8,748	3.24%
2022	\$4,619,196,800	6,574	\$702,646	13.33	\$9,366	3.03%
2024 est.	\$5,663,161,900	6,592	\$859,096	11.77	\$10,110	4.05%



- Add anything else that may be of interest or impacts the tax rate
  - Cost of any debt exclusion
  - Quick recap of the real estate market
    - Sales activity, days on market, average sale price







median commercial  
property value

# Commercial Example

Anticipated FY 2024 median tax bill  
amounts at various shift intervals



CIP Shift	MRF	CIP %	CIP Tax Rate	Est 2024 Bill
1	100	6.2937	\$11.75	\$9,445
1.03	99.79851	6.4825	\$12.10	\$9,726
1.05	99.66418	6.6084	\$12.34	\$9,919
1.07	99.52985	6.7342	\$12.57	\$10,104
1.09	99.39552	6.8601	\$12.81	\$10,297

Assumes a median commercial value of \$803,800



# Show Potential Results

Shift	MRF	Residential Rate	CIP Rate	Residential Bill	YOY Change	Commercial Bill	YOY Change
1.05	99.66418	\$11.77	\$12.34	\$10,110	\$394	\$9,919	\$(543)
1.07	99.52985	\$11.75	\$12.57	\$10,093	\$377	\$10,104	\$(358)
1.09	99.39552	\$11.73	\$12.81	\$10,076	\$360	\$10,297	\$(165)
1.11	99.2612	\$11.72	\$13.04	\$10,067	\$351	\$10,482	\$20

Assumes an average residential value of \$859, 000  
and median commercial value of \$803,800





# Compare Neighboring Communities



Community	Avg. Single Fam. Value	Avg. Single Fam. Tax Bill	Tax Rate/\$1000		CIP Shift Max   Actual
			Residential	CIP	
Lynnfield	\$899,564	\$10,165	\$11.30	\$18.15	1.57   1.5
N. Reading	\$745,319	\$10,427	\$13.99	\$13.99	1.50   1.0
Stoneham	\$655,919	\$7,281	\$11.10	\$21.16	1.75   1.75
<b>Wakefield</b>	<b>\$698,570</b>	<b>\$8,194</b>	<b>\$11.73</b>	<b>\$22.46</b>	<b>1.75   1.75</b>
Wilmington	\$622,128	\$7,428	\$11.94	\$27.34	1.75   1.75
Woburn	\$611,539	\$5,320	\$8.70	\$21.14	1.75   1.75
<b>Reading</b>	<b>\$766,834</b>	<b>\$9,654</b>	<b>\$12.59</b>	<b>\$13.21</b>	<b>1.50   1.05</b>





# Municipal Databank

[www.mass.gov/info-details/municipal-databank-data-analytics](https://www.mass.gov/info-details/municipal-databank-data-analytics)



# Municipal Databank



- Managed by the Massachusetts Division of Local Services
- Access community reports including
  - Debt
  - Demographics
  - Expenditures
  - Financial Indicators
  - Local Option Excise
  - Proposition 2 ½
  - Property Taxes
  - Property Values
  - Revenue





# Example Report: CIP Shifts

(FY 2023)

Municipality	CIP Value	Total Value	Residential Factor	CIP Shift
Abington	\$303,280,158	\$2,873,097,650	1.000000	1.000000
Acton	\$585,226,846	\$5,863,343,462	1.000000	1.000000
Acushnet	\$196,247,658	\$1,691,809,859	0.954100	1.34979
Adams	\$108,177,042	\$652,770,504	0.940400	1.30004
Agawam	\$821,732,125	\$3,691,126,257	0.831000	1.59013
Alford	\$7,315,233	\$318,625,669	1.000000	1.000000



# Example Report: Single-Family Tax Bills

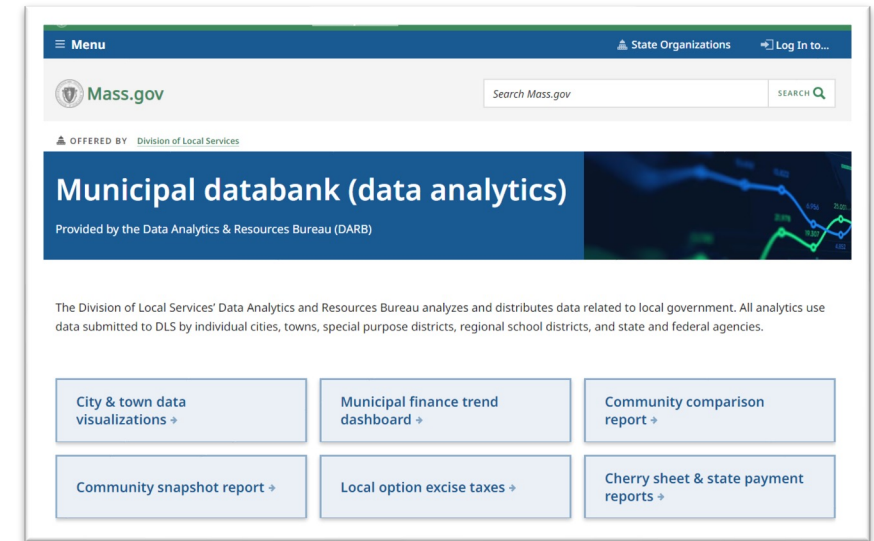
(FY 2023)

Municipality	Single Family Values	Single Family Parcels	Average Single Family Value	Single Family Tax Bill	Avg Bill as a % of Income
Abington	\$2,120,165,400	3,848	\$550,979	\$7,372	18.29
Acton	\$4,213,518,100	5,020	\$839,346	\$13,992	17.26
Acushnet	\$1,464,664,600	3,423	\$427,889	\$4,882	12.64
Adams	\$482,424,400	2,212	\$218,094	\$3,825	15.13
Agawam	\$2,602,120,430	7,751	\$335,714	\$4,881	14.28
Alford	\$296,288,400	314	\$943,594	\$4,671	12.22



# Municipal Databank

- Easy to use format
- Every sector of municipal government can find data useful
  - Review performance metrics with peer communities
  - Research the history of your community
  - Use data to better inform your decision makers



**THANK  
YOU!**

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