



Classification Workshop

Bureau of Local Assessment

CLASSIFICATION WORKSHOP

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SHIFTING THE TAX BURDEN

An amendment to the Massachusetts Constitution endorsed by the electorate in 1978 resulted in the Classification Act. This Act requires municipalities to classify real property into one of four classes, according to use: residential, open space, commercial and industrial.

Cities and towns that are certified as assessing property at full and fair cash value may elect to shift the tax burden among the major property classes within certain limits established by law. The adoption of different rates does not change the total property tax levy; rather it determines the share of the total levy to be borne by each class.

The share of the levy raised by the commercial and industrial classes and personal property may be increased 50% as long as the residential and open space classes raise at least 65% of what they would have raised without the shift. The "minimum residential factor" established by the Commissioner of Revenue is used to make certain that the shift of the tax burden complies with the Classification Act. If the minimum residential factor would be less than .650000, the community cannot make the maximum shift and must use a CIP factor less than 1.50.

Chapter 200 of the Acts of 1988 provides relief for those communities in which the maximum shift results in a residential share which is larger than that of the prior year. For those communities, the limits have been raised. They may increase the CIP share of the levy by 75% if the residential class would not be reduced to less than 50% of its share. However, this new residential share cannot be less than the residential share in any year since the community's values were first certified at full and fair cash value.

Once property has been classified, there must be a public hearing at which the assessors present information to the Board of Selectmen or the City Council and Mayor who vote whether to establish different rates or to continue to tax all classes of property at the same rate by adopting a factor of "1".

MINIMUM RESIDENTIAL FACTOR

DEPARTMENT OF REVENUE
BUREAU OF ACCOUNTS
MINIMUM RESIDENTIAL FACTOR COMPUTATION

FOR 200__

YOURTOWN

City/Town/District

	A	B	C
	CLASS	FULL AND FAIR CASH VALUATION	PERCENTAGE SHARE
1.	One - Residential	\$ 150,000,000	75.0000
2.	Two - Open Space	10,000,000	5.0000
3.	Three - Commercial	20,000,000	10.0000
4.	Four - Industrial	10,000,000	5.0000
5.	Personal Property	10,000,000	5.0000
	TOTALS	\$ 200,000,000	100%

Maximum Share of the Levy for Classes Three, Four and Personal Property
Maximum Share

$$150 \% \times \frac{20.0000 \%}{3C+4C+5C} = \frac{30.0000 \%}{\text{Lines}}$$

Minimum Share of the Levy for Classes One and Two

$$100 \% - \frac{30.0000 \%}{\text{Maximum Share}} = \frac{70.0000 \%}{\text{Minimum Share}}$$

Minimum Residential Factor (MRF)

$$\frac{70.0000 \%}{\text{Minimum Share}} / \frac{80.0000 \%}{\text{Line 1C+2C}} = \frac{87.5000 \%}{\text{Minimum Residential Factor}}$$

MINIMUM RESIDENTIAL FACTOR

To calculate the minimum residential factor:

1. Find the percentage of the total valuation that each class represents (please refer to previous page):

$$\frac{\text{Class}}{\text{Total Assessed Value}} = \text{Levy Percentage}$$

$$\text{(e.g. Residential)} \quad \frac{150,000,000}{200,000,000} = .750000 \text{ (or 75 \%)}$$

2. Subtotal R & O Percents:

$$75.0000 + 5.0000 = 80.0000$$

3. Subtotal CIP Percents:

$$10.0000 + 5.0000 + 5.0000 = 20.0000$$

4. Multiply CIP percentage by 1.50 (150%):

$$20.0000 \times 1.50 = 30.0000$$

5. Subtract new percentage for CIP from 100 to get new percentage for R &O:

$$100 - 30.0000 = 70.0000$$

6. Divide new percentage for R &O by FFCV levy percentage to get the minimum residential factor:

$$70.0000 \div 80.0000 = .875000 \text{ (MRF)}$$

To calculate the new tax rates using MRF (quick version):

1. Find the full value tax rate by dividing the tax levy by the total assessed value and multiply by 1000:

$$\frac{5,000,000}{200,000,000} = .0250 \times 1000 = 25.00$$

2. Multiply the full value tax rate by the residential factor:

$$25.00 \times .875000 = \$21.88$$

3. Multiply the full value tax rate by the CIP factor:

$$25.00 \times 1.50 = \$37.50$$

MRF SIMPLIFIED

Assessed Value in Your Community

Residential	=	\$150,000,000
Open Space	=	10,000,000
Commercial	=	20,000,000
Industrial	=	10,000,000
Personal Prop	=	10,000,000
 Total Value	 =	 \$200,000,000

1. Calculate the Percentage of each Property Class to the Total

Residential:	$\frac{150,000,000}{200,000,000}$	= .75 or 75%
Open Space:	$\frac{10,000,000}{200,000,000}$	= .05 or 5%
Commercial:	$\frac{20,000,000}{200,000,000}$	= .10 or 10%
Industrial:	$\frac{10,000,000}{200,000,000}$	= .05 or 5%
Personal Prop:	$\frac{10,000,000}{200,000,000}$	= .05 or 5%

R O + C I P = Total Value in Community = 100% Value

$$\begin{array}{rclcl}
 \text{R + O} & & \text{C + I + P} & & \\
 (75\% + 5\%) & + & (10\% + 5\% + 5\%) & = & 100\% \\
 80\% & + & 20\% & = & 100\%
 \end{array}$$

2. Calculate The Minimum Residential Factor (MRF)

Shift the CIP by 150 %

$$20 \% \times 1.5 = 30 \% \text{ for CIP}$$

Since the CIP is now equal to 30 % , the equation of

$$(R + O) + (C + I + P) = 100 \% \text{ is no longer true}$$

$$80 \% + 30\% = 110\%$$

The R + O % must now equal 70 % because

$$\begin{aligned} R + O &= 100 \% - C + I + P \\ &= 100 \% - 30 \% \\ &= 70 \% \end{aligned}$$

Therefore,

$$\begin{aligned} (R + O) \text{ is multiplied by a factor to equal } 70 \% . \\ 80 \% \times (M R F) = 70 \% \end{aligned}$$

To find the MRF, Divide 70 % by 80%.

$$MRF = \frac{70 \%}{80 \%} = .8750$$

What Does This Mean?

If the CIP share is increased as much as the original law allows (by 50%), the RO share will be 87.5% of the FFCV share. This would be permitted since it is greater than 65%.

What Does This Mean In Terms Of The Levy ?

If the Levy of your community is \$ 5,000,000, the Residential & Open Space Share of Levy was originally 80% of \$ 5,000,000 or \$ 4,000,000.

Now, if the MRF is the factor adopted, the Minimum Residential & Open Space Share of Levy will be 70% of \$ 5,000,000 or \$ 3,500,000.

YOUR COMMUNITY

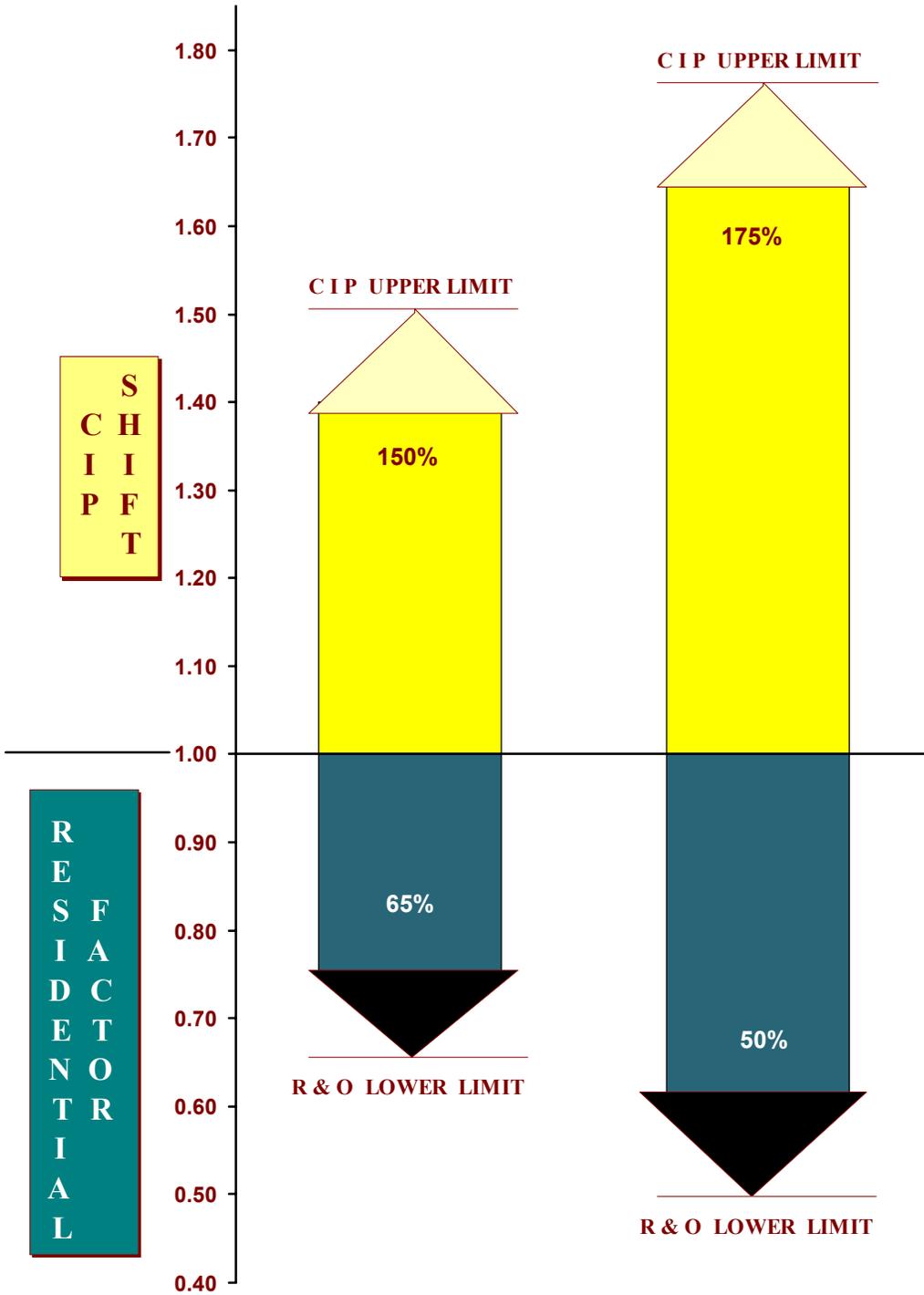
Total Assessed Value = \$ 200,000,000
R + O Value = \$ 160,000,000
C + I + P Value = \$ 40,000,000

C I P SHIFT	RESIDENTIAL FACTOR SELECTED	PERCENT OF LEVY	
		R & O	C I P
0 %	1.000000	80 %	20 %
10 %	.975000	78 %	22 %
20 %	.950000	76 %	24 %
30 %	.925000	74 %	26 %
40 %	.900000	72 %	28 %
50 %	.875000	70 %	30 %
60 %	.850000	68 %	32 %
75 %	.812500	65 %	35 %

CHAPTER 200

**MRF
LIMITS**

**CHAPTER 200
LIMITS**



CALCULATION OF THE LOWEST POSSIBLE RESIDENTIAL FACTOR

CHAPTER 200

- | | | | |
|----|---|----------------|---|
| 1. | Last year's chosen residential percentage (R)* | <u>65.0000</u> | % |
| 2. | This year's MRF using a 150% shift to CIP
(from LA-7) | <u>87.5000</u> | % |
| 3. | Minimum residential share (R) in current year
using the 150 % shift to CIP | <u>65.6250</u> | % |

*If #1 is greater than #3, **STOP!** You may shift only up to 150 % to CIP and #2 remains MRF.*

If #3 is greater than #1 go on

- | | | | |
|----|---|----------------|---|
| 4. | Calculate a residential factor using a 175 % shift
to CIP | <u>81.2500</u> | % |
| 5. | Multiply this new residential factor by this
year's FFCV residential percentage (R) | <u>60.9375</u> | % |
| 6. | What is the lowest historical residential
percentage since the first certification (R) | <u>63.7500</u> | % |

*If #5 is greater than #6, **STOP!** You may shift up to 175% to the CIP and #4 is the Lowest Residential Factor.*

If #6 is greater than #5 go on

7. Take the lowest historical residential percentage, #6 63.7500 % , divide it by current residential percentage at FFCV 75.0000 % ; the result is 85.0000 % , the lowest residential factor allowable (it may not be less than 50%).

Multiply that factor by FFCV of open space, add the new R % & 0 % shares, take **100%** minus (R + O) % total to equal the new maximum CIP percentage share 32.0000 % .

Divide this new maximum CIP share by FFCV of CIP share 20.0000 % to determine the percentage of shift, 1.6000% (this may not be more than 175 %) .

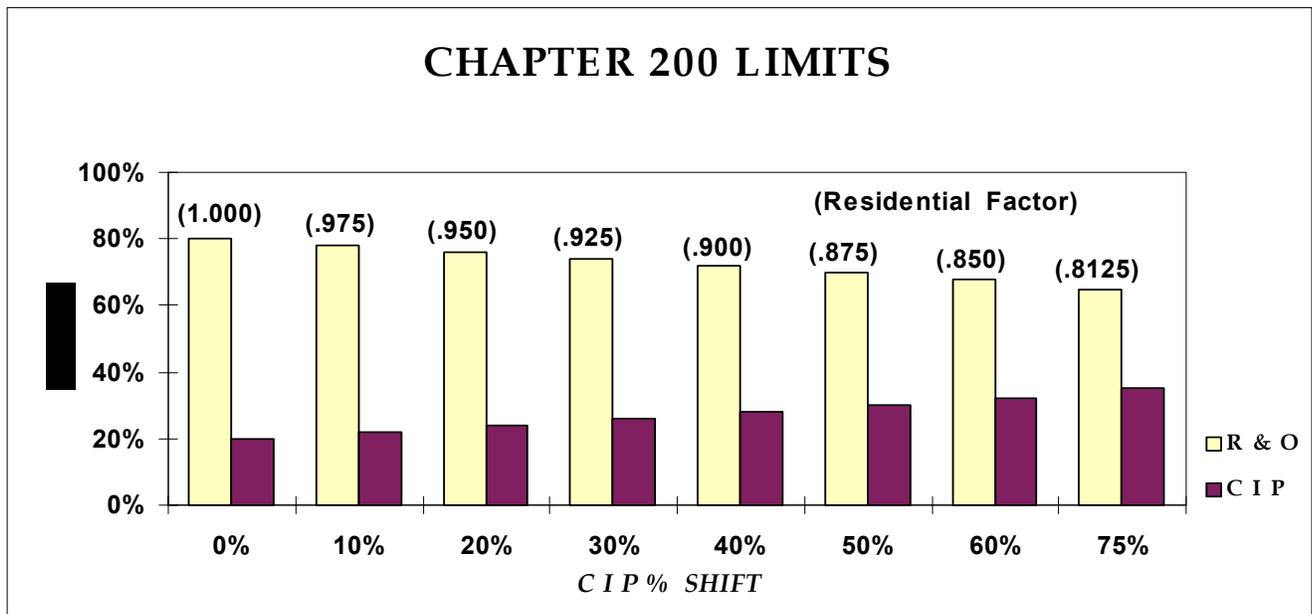
- * Consider Residential Only, not R & O together

YOURTOWN

Residential Percentages used on the Recapitulation Sheet FY83 - FY2001

(For use in determining eligibility to shift more than 150% -- Chapter 200 of the Acts of 1988)

FISCAL YEAR	RESIDENTIAL PERCENTAGE	FISCAL YEAR	RESIDENTIAL PERCENTAGE
1983	65.5000	1993	64.5200
1984	65.8333	1994	64.6000
1985	66.3333	1995	64.8800
1986	63.7500	1996	65.1250
1987	64.1275	1997	65.2500
1988	64.5000	1998	65.3500
1989	64.2500	1999	65.1500
1990	63.7500	2000	65.0825
1991	63.9080	2001	65.0000
1992	64.0000		



CALCULATING THE TAX RATE

STEPS TO CALCULATE THE TAX RATE WHEN
SHIFTING THE TAX BURDEN

I. To find the adjusted percentage of the levy to be raised by each class (column (b) on Recap Sheet):

A. Calculate the adjusted percentage of the levy to be raised by the commercial (C), industrial (I), and personal (P) property classes. For demonstration purposes we will use a factor of 1.40.

$$(C) \quad 10.0000 \times 1.40 = 14.0000$$

$$(I) \quad 5.0000 \times 1.40 = 7.0000$$

$$(P) \quad 5.0000 \times 1.40 = 7.0000$$

B. Write the adjusted percentages in column (b). Subtotal the new percentages for the CIP.

$$14.0000 + 7.0000 + 7.0000 = 28.0000$$

C. Find the adjusted percentage of the levy for residential (R) and open space (O) by subtracting the percentage share for CIP from 100.

$$100 - 28.0000 = 72.0000$$

Write in column (b) SUBTOTAL

D. Subtotal the FFCV Levy Percentage for R + O.

$$(R) \quad 75.0000 + (O) \quad 5.0000 = 80.0000$$

E. To find the residential factor, divide the adjusted percentage for R + O by the FFCV percentage for R + O.

$$\frac{72.0000}{80.0000} = .900000$$

F. Multiply the FFCV percentage for R by the residential factor. Write new percentage in column (b).

$$75.0000 \times .900000 = 67.5000$$

G. Repeat for open space (O)

$$5.0000 \times .900000 = 4.5000$$

II. To calculate the share of the levy to be raised by each class multiply the tax levy by the percentage in column (b) (Remember to change percents to decimals). Write in column (c).

$$(R) \quad .675000 \quad X \quad \$5,000,000 \quad = \quad 3,375,000$$

$$(O) \quad .045000 \quad X \quad \$5,000,000 \quad = \quad 225,000$$

$$(C) \quad .140000 \quad X \quad \$5,000,000 \quad = \quad 700,000$$

$$(I) \quad .070000 \quad X \quad \$5,000,000 \quad = \quad 350,000$$

$$(P) \quad .070000 \quad X \quad \$5,000,000 \quad = \quad 350,000$$

III. To calculate the tax rates, divide the share of the levy to be raised by each class by the total assessed valuation for that class (see page 2) and multiply the answer by 1000. Write in column (e).

$$(R) \quad \frac{3,375,000}{150,000,000} = .02250 \quad X \quad 1000 \quad = \quad \$22.50$$

$$(O) \quad \frac{225,000}{10,000,000} = .02250 \quad X \quad 1000 \quad = \quad \$22.50$$

$$(C) \quad \frac{700,000}{20,000,000} = .03500 \quad X \quad 1000 \quad = \quad \$35.00$$

$$(I) \quad \frac{350,000}{10,000,000} = .03500 \quad X \quad 1000 \quad = \quad \$35.00$$

$$(P) \quad \frac{350,000}{10,000,000} = .03500 \quad X \quad 1000 \quad = \quad \$35.00$$

IV. To ensure that tax rates will actually raise the total tax levy, multiply the valuation by class by the tax rate for that class. Divide by 1000. Write in column (f). Total column (f). If the total does not equal the levy, adjustments should be made in the amount of the overlay to bring the figures into balance.

THE COMMONWEALTH OF MASSACHUSETTS
 Department of Revenue
TAX RATE RECAPITULATION
OF

FISCAL **200**__

 City or Town

I. TAX RATE SUMMARY

A. Total Amount to be Raised (from IIE).....\$ 12,000,000

B. Total Estimated Receipts and Other Revenue Sources (from III E).....\$ 7,000,000

C. Tax Levy (IA minus IB)\$ 5,000,000

D. Distribution of Tax Rates and Levies Classified Unclassified

(a) CLASS	Levy Percentage (FFCV)	FACTOR	(b) Levy Percentage (from LA-5)	(c) IC above times Each percent in col (b)	(d) Valuation by Class (from LA-5)	(e) Tax Rates (c) ÷ (d) x 1000	(f) Levy by Class (d) x (e) ÷ 1000
Residential	75.0000	.900000	67.5000	3,375,000	150,000,000	22.50	3,375,000
Open Space	5.0000	.900000	4.5000	225,000	10,000,000	22.50	225,000
SUBTOTAL	80.0000		72.0000	3,600,000	160,000,000		3,600,000
Commercial	10.0000	1.40	14.0000	700,000	20,000,000	35.00	700,000
Industrial	5.0000	1.40	7.0000	350,000	10,000,000	35.00	350,000
Personal	5.0000	1.40	7.0000	350,000	10,000,000	35.00	350,000
SUBTOTAL	20.0000		28.0000	1,400,000	40,000,000		1,400,000
TOTAL	100 %		100 %		\$200,000,000		\$5,000,000

MUST EQUAL 1C

Board of Assessors of _____
 City or Town _____ .Date _____ Tel. No _____

1. _____ 2. _____ 3. _____

Do Not Write Below This Line - For Department of Revenue Use Only

Reviewed By _____	FY2_ Growth _____	
Date _____	FY2_ Levy Limit _____	
Tax Rate(s) I. _____	FY2_ Base _____	
II. _____	FY2_ Estimated _____	
	Receipts _____	
III. -V. _____	FY2_ Overlay _____	

 Director of Accounts

 Date
 Approved by
 Commissioner of Revenue

THE COMMONWEALTH OF MASSACHUSETTS
 Department of Revenue
TAX RATE RECAPITULATION
OF

FISCAL 20

 City or Town

I. TAX RATE SUMMARY

A. Total Amount to be Raised (from IIE).....\$ 12,000,000

B. Total Estimated Receipts and Other Revenue Sources (from III E)\$ 7,000,000

C. Tax Levy (IA minus IB) \$ 5,000,000

D. Distribution of Tax Rates and Levies Classified Unclassified

(a) CLASS	(b) Levy Percentage (from LA-5)	(c) IC above times Each percent in col (b)	(d) Valuation by Class (from LA-5)	(e) Tax Rates (c) ÷ (d) x 1000	(f) Levy by Class (d) x (e) ÷ 1000
Residential	67.5000	3,375,000	150,000,000	22.50	3,375,000
Open Space	4.5000	225,000	10,000,000	22.50	225,000
Commercial	14.0000	700,000	20,000,000	35.00	700,000
Industrial	7.0000	350,000	10,000,000	35.00	350,000
<u>SUBTOTAL</u>			190,000,000		4,650,000
Personal	7.0000	350,000	10,000,000	35.00	350,000
TOTAL	100%		\$200,000,000		\$5,000,000

MUST EQUAL 1C

Board of Assessors of _____
 City or Town Date Tel. No.

1. _____ 2. _____ 3. _____

Do Not Write Below This Line - For Department of Revenue Use Only

Reviewed By _____	FY2_ Growth _____	
Date _____	FY2_ Levy Limit _____	
Tax Rate(s) I. _____	FY2_ Base _____	
II. _____	FY2_ Estimated _____	
	Receipts _____	
III. -V. _____	FY2_ Overlay _____	

 Director of Accounts

 Date
 Approved by
 Commissioner of Revenue

CLASSIFICATION HEARING

Once property has been classified, the Board of Selectmen or Town Council of a town, or a City Council in a city, shall call and conduct a public hearing regarding the issue of allocating the percentage of the tax levy to be borne by each class of property for the fiscal year. At the public hearing the Board of Assessors shall provide information and relevant data including the fiscal effects of the available alternatives.

This public hearing, shall comply with the requirements of the "Open Meeting Law", as supplemented by local by-law or ordinance.

In addition, local officials must provide notice of the conduct of the hearings to all taxpayers by a comprehensive public information release in a newspaper of general circulation in the community, as well as in any other appropriate news media. The release should provide information regarding the policy decisions available, and should indicate the manner by which interested taxpayers may present oral or written information on their views.

When providing notice and when conducting the public hearing, local officials shall further the legislative intent to provide an open forum for the discussion of local property tax policy.

**DEPARTMENT OF REVENUE
BUREAU OF ACCOUNT
CLASSIFICATION TAX ALLOCATION**
for

YOURTOWN

City/Town/District

Return to: Bureau of Accounts, Boston/Worcester/Springfield

1. The selected Residential Factor is _____.

If you desire each class to maintain 100% of its full value tax share indicate a residential factor of "1" and go to question 3.

2. In computing your residential factor was a discount granted to Open Space?

Yes _____ % No _____

3. Was a residential exemption adopted?

Yes _____ % No _____

If yes:

Class I Total Assessed Value \$ _____ X _____ = _____

Class I Total Parcel Count *	Selected Res. Exemption %.	Residential Exemption
------------------------------	-------------------------------	--------------------------

* Include All Parcels with a Mixed-Use Residential designation

4. Was a small commercial exemption adopted?

Yes _____ % No _____

If yes, indicate:

No. parcels eligible _____

Total value of parcels \$ _____

Total Value to be exempted \$ _____.

LA-5 (6/96)

5. The following information was derived from the LA-7. Please indicate in Column D percentages (accurate to 4 digits to right of the decimal point) which result from your selected residential factor. (If a residential factor of "1" has been selected, you may leave Column D blank.)

A	B	C	D
Class	Certified Full and Fair Cash Value Assessments	Percentage Full Value Share of Total Tax Levy	New Percentage Share of Total Tax Levy
1. Residential	150,000,000	75.0000	
2. Open Space	10,000,000	5.0000	
3. Commercial	20,000,000	10.0000	
4. Industrial	10,000,000	5.0000	
5. Personal Property	10,000,000	5.0000	
TOTALS	200,000,000	100%	100%

6. I hereby attest that notice was given to taxpayers that a public hearing on the issue of adopting the tax levy percentages for fiscal year 20__ would be held on _____ (date), _____ (time), at _____ (place), _____ by _____ (describe type of notice)

Clerk (City/Town/District)

7. We hereby attest that on _____ (date) _____ (time), at _____ (place) a public hearing was held on the issue of adopting the percentages for fiscal year 20__, that the Board of Assessors presented information and data relevant to making such a determination and the fiscal effect of the available alternatives at the hearing, and that the percentages set forth above were duly adopted in public session _____ (date)

8. We have been informed by the Assessors of \$ _____ excess levy capacity.

For cities: City Councilors, Aldermen, Mayor
 For towns: Board of Selectmen
 For districts: Prudential Committee or Commissioners

CLASSIFICATION CONSIDERATIONS

SOME ECONOMIC & POLITICAL ISSUES

Consider the percentage of Commercial & Industrial (C & I) properties as compared to Residential (R)

Will an increased tax burden on C & I significantly lower the R tax burden?

What is the mix of C & I properties?

How much is big business?

How much is small business(mom & pop)?

Are the businesses of the type that require extraordinary municipal services?

Will it adversely effect small businesses & drive them out of the community? Would a small commercial exemption help?

Will it slow big business development?

Does business significantly contribute in a non-tax way to the community?

Is the timing proper for the move to a multiple or single tax rate?

Will a shift to the C & I maintain or increase the relative or historical share of the tax burden?

Is it a matter of principle or economics?

ANNUAL PUBLIC HEARING ON CLASSIFICATION

Decisions To Be Made:

RESIDENTIAL FACTOR

Not Below MRF or 65%FFCV (Ch200: 50%)

Burden shifts from R & O to CIP Classes

OPEN SPACE DISCOUNT

Upto 25% of Residential Factor

RESIDENTIAL EXEMPTION

Upto 20% of Average of all Residential Value
to all eligible properties
eligibility --owner's primary residence

Burden shifts within Residential Class

SMALL COMMERCIAL EXEMPTION

Upto 10% of Assessed Value of eligible properties
eligibility – occupied by business(es) on DET list
or qualified by assessors
value less than \$1million

Burden shifts within Commercial & Industrial Classes

An **Open Space Discount**, a **Residential Exemption** and a **Small Commercial Exemption** may also be chosen by communities. The choice of either or both of these first two affects the tax rate of Residential property, whether a community chooses to shift more to the CIP classes or not. The third option affects the tax rate of the commercial and industrial classes. The alternatives are considered and voted on annually by the Board of Selectmen or the City Council and Mayor.

Open Space is defined as land maintained in an open or natural condition which contributes significantly to the benefit and enjoyment of the public. The classification may not include land taxable under the provisions of Ch. 6I, Ch. 61A, Ch. 61B, under a permanent conservation restriction, or held for the production of income. Assessors determine other criteria for the Open Space classification. The Open Space Discount is **upto 25%** of the residential factor.

A **Residential Exemption** would be applied to every residential property which is the principal residence of a taxpayer. 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. In addition, the exemption may not reduce the taxable value of the property to less than ten percent of its full and fair cash value except with Clause 18. If adopted, the Residential Exemption may be **upto 20%** of the average assessed value of all Residential parcels. The dollar value of the exemption is subtracted from the assessed value of every eligible property.

A **Small Commercial Exemption** may be applied to certain commercial properties. If adopted, upto 10% of the assessed value of the eligible parcel would be exempt. Eligibility requirements are: 1) assessment less than one million dollars, 2) occupied by a business which has been certified by the Department of Employment & Training or by the Assessors as having no more than an average of ten employees in the previous year.

Information on how to calculate the tax rate when these exemptions are chosen may be found on the following pages.

OPEN SPACE DISCOUNT

I. UNDER FULL AND FAIR CASH VALUE (FFCV)

- A. Determine the Open Space factor by subtracting the chosen percentage discount (up to 25 %) for Open Space from 100 %.

$$100 \% - 20 \% = 80 \%$$

- B. Determine the residential factor.

1. Find the new percentage for Open Space by multiplying the percentage of O under FFCV by the Open Space factor.

$$5.0000 \times .80 = 4.0000 \%$$

2. Add the new percentage for O to the percentage of R under FFVC.

$$4.0000 + 75.0000 = 79.0000 \%$$

3. Divide the FFCV percentage for R & O by the percentage for R & O with the Open Space discount (answer to step 2).

$$\frac{80.0000}{79.0000} = 1.012658$$

- C. Calculate the new share of the levy for R & O.

1. To find the new percentage share for R, multiply the FFCV percentage for R by the residential factor.

$$75.0000 \times 1.012658 = 75.9494 \%$$

2. To find the new percentage share for O, multiply the FFCV percentage for O by the product of the residential factor times the Open Space factor.

$$5.0000 \times (1.012658 \times .80) = 4.0506 \%$$

- D. Use the new percentages for R & O to determine the share of the levy to be raised by these classes and the new tax rates.

$$(R) \quad \frac{(.759494 \times 5,000,000)}{150,000,000} = \frac{3,797,470}{150,000,000} = .02532 \times 1000 = \$25.32$$

$$(O) \quad \frac{(.040506 \times 5,000,000)}{10,000,000} = \frac{202,530}{10,000,000} = .02025 \times 1000 = \$20.25$$

II. WHEN ALSO ALLOCATING THE TAX BURDEN (using a CIP Shift of 1.40)

- A. To determine the new percentage share for R & O, subtract the new percentage for CIP from 100.

$$100 - 28.0000 = 72.0000 \%$$

- B. Determine the residential factor by dividing the new percentage share for R & O with the Open Space discount (answer to step B 2 above).

$$\frac{72.0000}{79.0000} = .911392$$

- C. Calculate the new share of the levy for R & O.

1. To find the new percentage share for R, multiply the FFCV percentage of R by the residential factor.

$$75.0000 \times .911392 = 68.3544 \%$$

2. To find the new percentage share for O, multiply the FFCV percentage for O by the residential factor times the Open Space factor.

$$5.0000 \times (.911392 \times .80) = 3.6456 \%$$

- D. Use the percentages for R & O to find the share of the levy to be raised by these classes and the new tax rates.

$$(R) \frac{(.683544 \times 5,000,000)}{150,000,000} = \frac{3,417,720}{150,000,000} = .22784 \times 1000 = \$22.78$$

$$(O) \frac{(.036456 \times 5,000,000)}{10,000,000} = \frac{182,280}{10,000,000} = .01823 \times 1000 = \$18.23$$

Class	FFCV Percent	Factor	Levy Percent	Levy Dollars	Valuation	Tax Rate
RES	75.0000	.911392	68.3544	\$3,417,720	150,000,000	\$22.78
OS	5.0000	.911392	3.6456*	182,280	10,000,000	\$18.23
SUBTOT	80.0000		72.0000	\$3,600,000	160,000,000	
COM	10.0000	1.40	14.0000	700,000	20,000,000	\$35.00
IND	5.0000	1.40	7.0000	350,000	10,000,000	\$35.00
P P	5.0000	1.40	7.0000	350,000	10,000,000	\$35.00
SUBTOT	20.0000		28.0000	\$1,400,000	40,000,000	
TOTAL	100 %		100 %	\$5,000,000	200,000,000	

* 20 % Open Space Discount is factored into this Levy Percentage

RESIDENTIAL EXEMPTION

I. UNDER FFCV

- A. Find the average assessed valuation for Residential property by dividing the Total Assessed Valuation of R by the number of total Residential parcels.

$$\frac{150,000,000}{1000} = \$ 150,000$$

- B. Find the dollar amount of each Residential Exemption by multiplying the average assessed value by the chosen percentage for the Residential Exemption (may be up to 20 percent).

$$150,000 \times .20 = \$ 30,000$$

- C. Apply the Residential Exemption to each Residential parcel that is the principal residence of the taxpayer.
- D. Find the new total assessed valuation for Residential.

1. Multiply the number of eligible parcels by the Residential Exemption.

$$500 \times 30,000 = 15,000,000$$

2. Subtract the total from the total assessed valuation for R under FFCV.

$$150,000,000 - 15,000,000 = 135,000,000$$

- E. Find the new tax rate for Residential.

1. Divide the share of the levy to be raised by R by the new assessed valuation for R.

$$\frac{3,750,000}{135,000,000} = .02778$$

2. Multiply the answer by 1000.

$$.02778 \times 1000 = 27.78$$

- F. There is no change in the tax rate for O, C, I and P.

II. WHEN ALSO ALLOCATING THE TAX BURDEN

A. Repeat Steps A, B, C and D from "UNDER FFCV"

B. Using a CIP Shift of 1.40 results in a Residential Factor of .900000. To calculate the new share of the levy for R, multiply the Residential Factor by the FFCV Residential Percent.

$$.90 \times .75 = .675000$$

C. Find the tax rate for Residential property.

1. To find the adjusted share of the levy to be raised by R, multiply the new Residential percent share of the levy by the total levy.

$$.675 \times 5,000,000 = 3,375,000$$

2. Divide the adjusted share of the levy to be raised by R by the new assessed valuation for R

$$\frac{3,375,000}{135,000,000} = .02500$$

3. Multiply the answer by 1000.

$$.02500 \times 1000 = 25.00$$

D. There is no change in the tax rate for O, C, I and P .

EXAMPLE RECAP USING 20% RESIDENTIAL EXEMPTION WITH A CIP SHIFT OF 1.40

CLASS	LEVY PERCENT	LEVY DOLLARS	VALUATION	TAX RATE
RESIDENTIAL	67.5000	\$3,375,000	150,000,000	*****
EXEMPTION	*****	*****	135,000,000	\$25.00
OPEN SPACE	4.5000	225,000	10,000,000	\$22.50
COMMERCIAL	14.0000	700,000	20,000,000	\$35.00
INDUSTRIAL	7.0000	350,000	10,000,000	\$35.00
PER. PROPERTY	7.0000	350,000	10,000,000	\$35.00
TOTAL	100%	\$5,000,000	200,000,000	

OPEN SPACE DISCOUNT AND RESIDENTIAL EXEMPTION

I. UNDER FFCV

A. Find the new tax rate for R.

1. Divide the share of the levy for R which was calculated with the Open Space discount by the new assessed valuation for R (with the Residential exemptions subtracted).

$$\frac{3,797,470}{135,000,000} = .028129$$

2. Multiply the answer by 1000.

$$.028129 \times 1000 = 28.13$$

B. The share of the levy and the tax rate for O are the same as with only the Open Space discount.

C. The share of the levy and the tax rate for CIP are not affected by either the Residential Exemption or the Open Space discount.

II. WHEN ALLOCATING THE TAX BURDEN (using a CIP SHIFT of 1.40)

A. Find the new tax rate for R

1. Divide the adjusted share of the levy for R which was calculated with the Open Space discount by the new assessed valuation for R (with the Residential Exemptions subtracted).

$$\frac{3,417,720}{135,000,000} = .025316$$

2. Multiply the answer by 1000 (rounded)

$$.025316 \times 1000 = 25.32$$

B. The share of the levy and the tax rate for O are the same as with only the Open Space discount.

C. The share of the levy and the tax rate for CIP are not affected by either the Residential Exemption or the Open Space Discount.

SMALL COMMERCIAL EXEMPTION

I. UNDER FFCV

- A. Find the exempt valuation by multiplying the chosen exemption percentage (up to 10%) by the total FFCV of eligible Commercial (only) parcels.

$$5,000,000 \times .10 = 500,000$$

- B. Find the new total assessed valuation for the Commercial Class by subtracting the exempt valuation.

$$20,000,000 - 500,000 = 19,500,000$$

- C. Find the new tax rate for the Commercial and Industrial classes.

1. Add the new total assessed valuation for the Commercial Class to the Industrial Class assessed valuation.

$$19,500,000 + 10,000,000 = 29,500,000$$

2. Divide the share of the levy to be raised by C & I by the new total assessed valuation for the C & I.

$$\frac{750,000}{29,500,000} = .02542$$

3. Multiply the answer by 1000.

$$.02542 \times 1000 = 25.42$$

- D. There is no change in the tax rate for R, O, and P.

II. WHEN ALSO ALLOCATING THE TAX BURDEN (using a CIP SHIFT of 1.40)

- A. Repeat Steps A & B from "UNDER FFCV".

- B. To calculate the new share of the levy raised by the C & I, using a CIP Shift of 1.40, multiply the FFCV C & I percent by 1.40.

$$1.40 \times .15 = .21$$

C. Find the tax rate for Commercial and Industrial properties.

- To find the adjusted share of the levy to be raised by the C & I , multiply the new C & I percent share of the levy by the total levy.

$$.21 \times 5,000,000 = 1,050,000$$

- Divide the adjusted share of the levy to be raised by the C & I by the new total assessed valuation for the C & I .

$$\frac{1,050,000}{29,500,000} = .03559$$

- Multiply the answer by 1000.

$$.03559 \times 1000 = 35.59$$

D. There is no change in the tax rate for R, O, and P .

**EXAMPLE RECAP USING 10% SMALL COMMERCIAL EXEMPTION
WITH A CIP SHIFT OF 1.40**

CLASS	LEVY PERCENT	LEVY DOLLARS	VALUATION	TAX RATE
RESIDENTIAL	67.5000	\$3,375,000	150,000,000	\$22.50
OPEN SPACE	4.5000	225,000	10,000,000	\$22.50
COM & IND	21.0000	1,050,000	30,000,000	*****
EXEMPTION	*****	*****	29,500,000	\$35.59
PER. PROPERTY	7.0000	350,000	10,000,000	\$35.00
TOTAL	100%	\$5,000,000	200,000,000	

OPTIONS WORKSHEET

AT FULL AND FAIR CASH VALUE (FFCV)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	150,000,000	75.0000		
O	10,000,000	5.0000		
TOTAL R&O	160,000,000	80.0000		
C	20,000,000	10.0000		
I	10,000,000	5.0000		
P	10,000,000	5.0000		
TOTAL CIP	40,000,000	20.0000		
TOTAL	200,000,000	100%	5,000,000	

OPEN SPACE DISCOUNT

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	150,000,000	75.0000			
O	10,000,000	5.0000			
TOTAL	160,000,000	80.0000			

RESIDENTIAL EXEMPTIONS

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R		75.0000			
O	10,000,000	5.0000			
TOTAL		80.0000			

SMALL COMMERCIAL EXEMPTION (10% OF 5,000,000)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
C&I		15.0000			
P	10,000,000	5.0000			
TOTAL		20.0000			

OPTIONS WORKSHEET

AT FULL AND FAIR CASH VALUE (FFCV)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	150,000,000	75.0000	3,750,000	25.00
O	10,000,000	5.0000	250,000	25.00
TOTAL R&O	160,000,000	80.0000	4,000,000	
C	20,000,000	10.0000	500,000	25.00
I	10,000,000	5.0000	250,000	25.00
P	10,000,000	5.0000	250,000	25.00
TOTAL CIP	40,000,000	20.0000	1,000,000	
TOTAL	200,000,000	100%	5,000,000	

OPEN SPACE DISCOUNT (20% DISCOUNT)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	150,000,000	75.0000	75.9494	3,797,470	25.32
O	10,000,000	5.0000	4.0506	202,530	20.25
TOTAL	160,000,000	80.0000	80.0000	4,000,000	

RESIDENTIAL EXEMPTIONS (20% / 500 PARCELS)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	135,000,000	75.0000	75.0000	3,750,000	27.78
O	10,000,000	5.0000	5.0000	250,000	25.00
TOTAL	145,000,000	80.0000	80.0000	4,000,000	

SMALL COMMERCIAL EXEMPTION (10% OF 5,000,000)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
C&I	29,500,000	15.0000	15.0000	750,000	25.42
P	10,000,000	5.0000	5.0000	250,000	25.00
TOTAL	39,500,000	20.0000	20.0000	1,000,000	

OPTIONS WORKSHEET

(Using a CIP Shift of 1.40)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	150,000,000	75.0000	67.50000	3,375,000	22.50
O	10,000,000	5.0000	4.50000	225,000	22.50
TOTAL R&O	160,000,000	80.0000	72.0000	3,600,000	
C	20,000,000	10.0000	14.0000	700,000	35.00
I	10,000,000	5.0000	7.0000	350,000	35.00
P	10,000,000	5.0000	7.0000	350,000	35.00
TOTAL CIP	40,000,000	20.0000	28.0000	1,400,000	
TOTAL	200,000,000	100 %	100 %	5,000,000	

OPEN SPACE DISCOUNT (20% DISCOUNT)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	150,000,000	75.0000	68.3544	3,417,720	22.78
O	10,000,000	5.0000	3.6456	182,280	18.23
TOTAL	160,000,000	80.0000	72.0000	3,600,000	

RESIDENTIAL EXEMPTIONS (20% / 500 PARCELS)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R	135,000,000	75.0000	67.5000	3,375,000	25.00
O	10,000,000	5.0000	4.5000	225,000	22.50
TOTAL	145,000,000	80.0000	72.0000	3,600,000	

SMALL COMMERCIAL EXEMPTION (10% OF 5,000,000)

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
C&I	29,500,000	15.0000	21.0000	1,050,000	35.59
P	10,000,000	5.0000	7.0000	350,000	35.00
TOTAL	39,500,000	20.0000	28.0000	1,400,000	

**DEPARTMENT OF REVENUE
BUREAU OF ACCOUNT
CLASSIFICATION TAX ALLOCATION**
for

YOURTOWN

City/Town/District

Return to: Bureau of Accounts, Boston/Worcester/Springfield

1. The selected Residential Factor is .90000

If you desire each class to maintain 100% of its full value tax share indicate a residential factor of "1" and go to question 3.

2. In computing your residential factor was a discount granted to Open Space?

Yes _____ % No X

3. Was a residential exemption adopted?

Yes _____ % No X

If yes:

Class I Total Assessed Value \$ _____ X _____ = _____

Class I Total Parcel Count *	Selected Res. Exemption %.	Residential Exemption
------------------------------	-------------------------------	--------------------------

* Include All Parcels with a Mixed-Use Residential designation

4. Was a small commercial exemption adopted?

Yes _____ % No X

If yes, indicate:

No. parcels eligible _____

Total value of parcels \$ _____

Total Value to be exempted \$ _____.

5. The following information was derived from the LA-7. Please indicate in Column D percentages (accurate to 4 digits to right of the decimal point) which result from your selected residential factor. (If a residential factor of "1" has been selected, you may leave Column D blank.)

A	B	C	D
Class	Certified Full and Fair Cash Value Assessments	Percentage Full Value Share of Total Tax Levy	New Percentage Share of Total Tax Levy
1. Residential	150,000,000	75.0000	67.5000
2. Open Space	10,000,000	5.0000	4.5000
3. Commercial	20,000,000	10.0000	14.0000
4. Industrial	10,000,000	5.0000	7.0000
5. Personal Property	10,000,000	5.0000	7.0000
TOTALS	200,000,000	100%	100%

6. I hereby attest that notice was given to taxpayers that a public hearing on the issue of adopting the tax levy percentages for fiscal year 20__ would be held on _____ (date), _____ (time), at _____ (place), _____ by _____ (describe type of notice)

Clerk (City/Town/District)

7. We hereby attest that on _____ (date) _____ (time), at _____ (place) a public hearing was held on the issue of adopting the percentages for fiscal year 20__, that the Board of Assessors presented information and data relevant to making such a determination and the fiscal effect of the available alternatives at the hearing, and that the percentages set forth above were duly adopted in public session _____ (date)

8. We have been informed by the Assessors of \$ _____ excess levy capacity.

For cities: City Councilors, Aldermen, Mayor
 For towns: Board of Selectmen
 For districts: Prudential Committee or Commissioners

SAMPLES

FOR

PUBLIC HEARING

PREPARATION FOR CHART PRESENTING TAX RATE

ALTERNATIVES

1. Single Tax Rate = $\frac{\text{Levy}}{\text{Total Assessed Value}}$

$$\frac{5,000,000}{200,000,000} = .02500 \times 1000 = 25.00$$

2. Single tax rate x MRF = minimum residential rate

$$25.00 \times .875000 = 21.875 \text{ or } 21.882$$

3. Single tax rate x 1.5 (150%) = maximum rate for CIP

$$25.00 \times 1.5 = 37.50$$

4. To find the amount of decrease in the Residential rate per dollar of increase in the CIP rate:

a. Find the difference between the single tax rate and the minimum Residential rate.

$$25.00 - 21.88 = 3.12$$

b. Find the difference between the single tax rate and the maximum rate for CIP

$$37.50 - 25.00 = 12.50$$

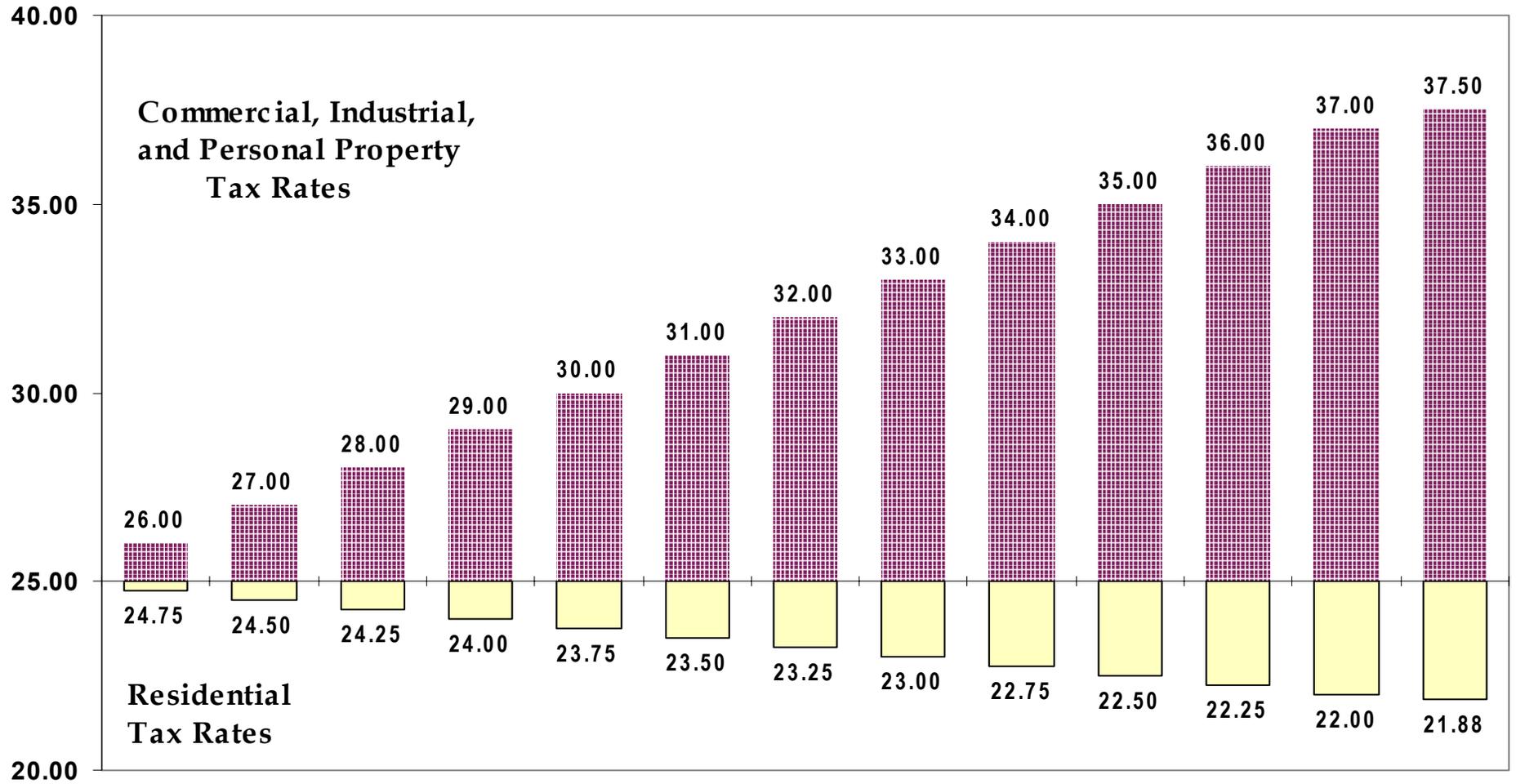
c. Divide the Residential difference (step a) by the CIP difference (step b) .

$$\frac{3.12}{12.50} = .2496 \text{ or } .25 \text{ (rounded)}$$

Therefore, in this particular example, for every dollar that the CIP Tax Rate increase, the R & O Tax Rate decreases 25¢.

R & O	CIP	R & O	CIP	R & O	CIP
25.00	25.00	23.75	30.00	22.50	35.00
24.75	26.00	23.50	31.00	22.25	36.00
24.50	27.00	23.25	32.00	22.00	37.00
24.25	28.00	23.00	33.00	21.88	37.50
24.00	29.00	22.75	34.00		

PRESENTING TAX RATE ALTERNATIVES



WORKSHEET

10 % Shift

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R & O	160,000,000	80.0000	78.0000	3,900,000	24.38
C I P	40,000,000	20.0000	22.0000	1,100,000	27.50
TOTAL	200,000,000	100 %	100 %	5,000,000	

25 % Shift

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R & O	160,000,000	80.0000	75.0000	3,750,000	23.44
C I P	40,000,000	20.0000	25.0000	1,250,000	31.25
TOTAL	200,000,000	100 %	100 %	5,000,000	

40 % Shift

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R & O	160,000,000	80.0000	72.0000	3,600,000	22.50
C I P	40,000,000	20.0000	28.0000	1,400,000	35.00
TOTAL	200,000,000	100 %	100 %	5,000,000	

50 % Shift

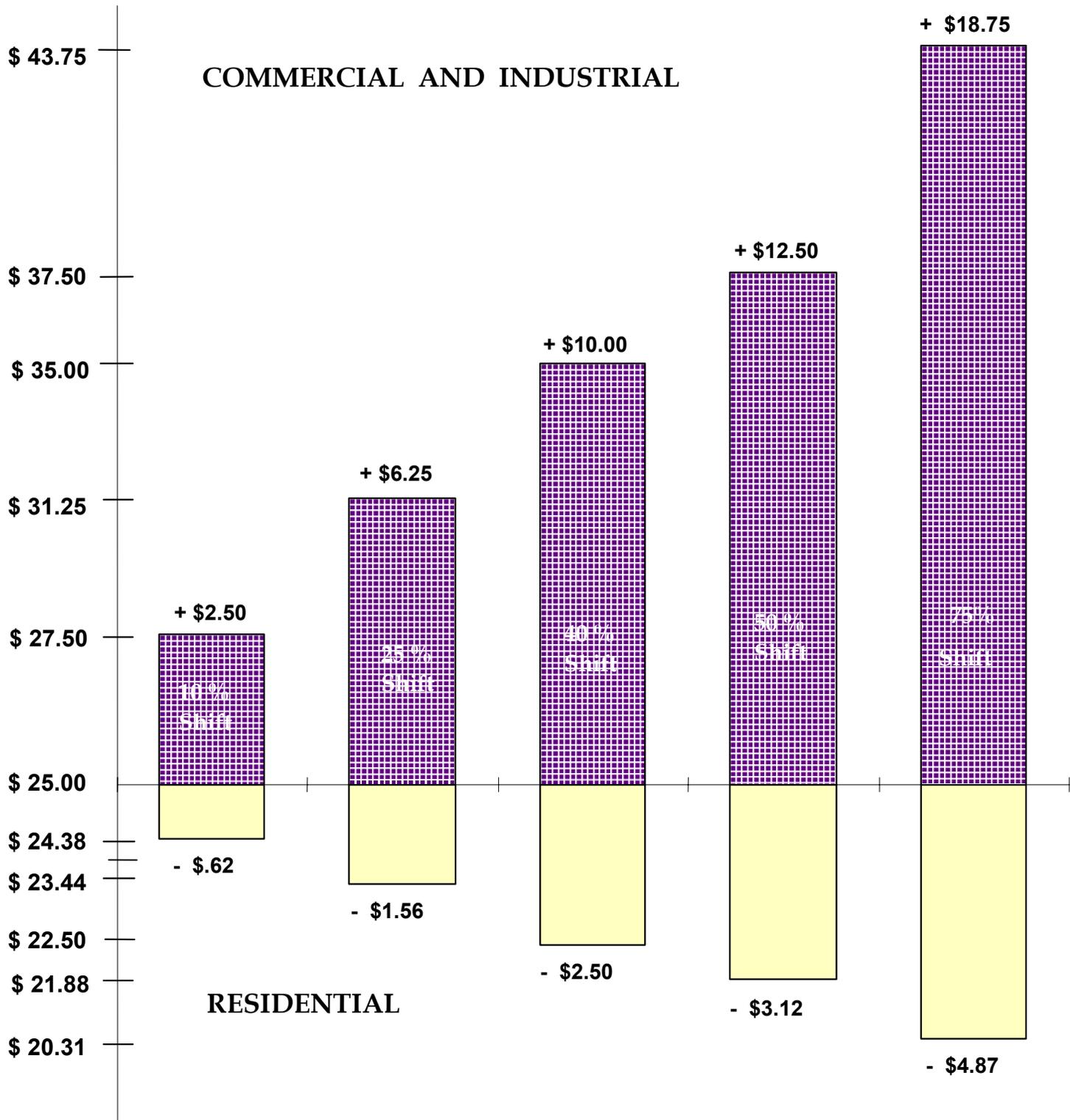
CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R & O	160,000,000	80.0000	70.0000	3,500,000	21.88
C I P	40,000,000	20.0000	30.0000	1,500,000	37.50
TOTAL	200,000,000	100 %	100 %	5,000,000	

75 % Shift

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R & O	160,000,000	80.0000	65.0000	3,250,000	20.31
C I P	40,000,000	20.0000	35.0000	1,750,000	43.75
TOTAL	200,000,000	100 %	100 %	5,000,000	

YOURTOWN

Tax Rates with Shifts



COMPARISON OF TAX BILLS

Residential

Commercial & Industrial

ASSESSED VALUES	TAX RATE	\$120,000	\$150,000	\$ 200,000	\$ 200,000	\$ 250,000	TAX RATE
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UNDER FULL AND FAIR CASH VALUE

No Options	\$25.00	3,000.00	3,750.00	5,000.00	5,000.00	6,250.00	\$25.00
Open Space Discount	\$25.32	3,038.40	3,798.00	5,064.00	5,000.00	6,250.00	\$25.00
Residential Exemption	\$27.78	3,333.60	4,167.00	5,556.00	5,000.00	6,250.00	\$25.00
Small Commerical Exem	\$25.00	3,000.00	3,750.00	5,000.00	5,084.00	6,355.00	\$25.42

ALLOCATION TAX BURDEN (CIP SHIFT 1.40)

No Options	\$22.50	2,700.00	3,375.00	4,500.00	7,000.00	8,750.00	\$35.00
Open Space Discount	\$22.78	2,733.60	3,417.00	4,556.00	7,000.00	8,750.00	\$35.00
Residential Exemption	\$25.00	3,000.00	3,750.00	5,000.00	7,000.00	8,750.00	\$35.00
Small Commerical Exem	\$22.50	2,700.00	3,375.00	4,500.00	7,118.00	8,897.50	\$35.59

SAMPLE AVERAGE TAX BILLS

The average single family property in town is valued at \$150,000 so the average residential tax bill in FY93 was \$3750 at a tax rate of \$25.00 per thousand

The average commercial property was valued at \$200,000 with a tax bill of \$5,000.

SHIFT	RESIDENTIAL		COMMERCIAL & INDUSTRIAL	
	AVERAGE TAX BILL	DECREASE	AVERAGE TAX BILL	INCREASE
10% Shift	\$3,657.00	\$ 93.00	\$5,500.00	\$ 500.00
20% Shift	\$3,562.50	\$187.50	\$6,000.00	\$1,000.00
30% Shift	\$3,469.50	\$280.50	\$6,500.00	\$1,500.00
40% Shift	\$3,375.50	\$375.00	\$7,000.00	\$2,000.00
50% Shift	\$3,282.00	\$468.00	\$7,500.00	\$2,500.00
60% Shift	\$3,187.50	\$562.50	\$8,000.00	\$3,000.00
75% Shift	\$3,046.50	\$703.50	\$8,750.00	\$3,750.00

SAMPLE TAX BILLS

With Different Allocations of Tax Burden

Residential

Commercial & Industrial

Assessed Values	Tax Rate	\$ 120,000	\$ 150,000	\$ 200,000	\$ 200,000	\$ 250,000	Tax Rate
No Allocation	\$25.00	3,000.00	3,750.00	5,000.00	5,000.00	6,250.00	\$25.00
10% Shift	\$24.38	2,925.20	3,657.00	4,876.00	5,500.00	6,875.00	\$27.50
25% Shift	\$23.44	2,812.80	3,516.00	4,688.00	6,250.00	7,812.50	\$31.25
40% Shift	\$22.50	2,700.00	3,375.00	4,500.00	7,000.00	8,750.00	\$35.00
50% Shift	\$21.88	2,625.60	3,282.00	4,376.00	7,500.00	9,375.00	\$37.50
75% Shift	\$20.31	2,437.20	3,046.50	4,062.00	8,750.00	10,937.50	\$43.75

FORMS AND WORKSHEETS

ASSESSMENT / CLASSIFICATION REPORT
FORM (LA-4) FY 200_
Instructions

Report all TAXABLE property as of January 1, 200_ :

1. The total number of parcel/accounts and the total assessed valuations of each property type. *
2. A zero (0) should be entered if an item is not applicable. If you have no property class codes 200-231 (open space), put a zero in the parcel count and a zero in the total valuation column for Class 2.
3. Miscellaneous Residential should include 103, 109, 140 and any other locally determined residential classification codes.
4. Property class code 106 (accessory land to a residential parcel with an improvement) should be added to residential land 130-132.
5. Property class codes 700 and 800 (Chapter 61A and 61B land) should have the taxable value (FFCV - discount) of the land only and parcel count in the commercial class. The dwellings and base lots are to be reported in the residential class category. The commercial farm buildings should be reported in the 300 class codes.
6. Property class code 012-043 (multiple use) should be apportioned to the classes from which they came. Therefore the multiple use class category needs at least two entries in the total valuation columns.
7. Municipalities with electric generation plants must also submit LA-4W. Without this form, the LA-4 will not be processed.

QUESTIONS ABOUT THE COMPLETION OF THIS FORM SHOULD BE ADDRESSED TO
YOUR BLA COMMUNITY ADVISOR.

Please submit to: Bureau of Local Assessment
P.O. Box 9569
Boston Mass. 02114-9569

*Consult Guidelines for the Classification of Property According to Use/Property Classification Codes
(January 1998)

ASSESSMENT/CLASSIFICATION REPORT FY

January 1, 2____

City/Town _____

PROP TYPE	ACCT/ PARCEL COUNT	CLASS I Residential Assessed Value	CLASS 2 Open Space Assessed Value	CLASS 3 Commercial Assessed Value	CLASS 4 Industrial Assessed Value	CLASS 5 Personal Property Assessed Value
101						
102						
Misc Res.						
104						
105						
111 - 125						
130-32 & 106						
200- 231						
300- 393						
400 - 442						
Ch.61 land						
Ch.61A Land						
Ch. 61B Land						
012- 034						
501						
502						
503						
504, 550-2						
505						
506						
TOTALS						
REAL AND PERSONAL PROPERTY TOTAL VALUE						
EXEMPT						

Submitted by the Board of Assessors

LA-4

Date

**DEPARTMENT OF REVENUE
MINIMUM RESIDENTIAL FACTOR COMPUTATION
FOR
FY 200_**

CITY/TOWN/DISTRICT

	A	B	C
	CLASS	FULL AND FAIR CASH VALUATION	PERCENTAGE SHARE
1.	One- Residential		
2.	Two- Open Space		
3.	Three- Commercial		
4.	Four- Industrial		
5.	Personal Property		
	TOTALS		

Maximum Share of the Levy for Classes Three, Four and Personal Property; $150\% \times \frac{\text{Lines } 3C+4C+5C}{\text{Maximum Share}} \% = \frac{\text{Maximum Share}}{\text{Maximum Share}} \%$

Minimum Share of the Levy for Classes One and Two $100\% - \frac{\text{Maximum Share}}{\text{Maximum Share}} \% = \frac{\text{Minimum Share}}{\text{Minimum Share}} \%$

Minimum Residential Factor (MRF) $\frac{\text{Minimum Share}}{\text{Minimum Share}} \% / \frac{\text{Lines } 1C + 2C}{\text{Minimum Share}} \% = \frac{\text{Minimum Residential Factor}}{\text{Minimum Residential Factor}}$

**DEPARTMENT OF REVENUE
BUREAU OF ACCOUNTS
CLASSIFICATION TAX ALLOCATION**

City/Town/District

Return to : Bureau of Local Assessment, Boston, Springfield or Worcester

1. The selected Residential Factor is _____

IF YOU DESIRE EACH CLASS TO MAINTAIN 100% OF ITS FULL VALUE TAX SHARE, INDICATE A RESIDENTIAL FACTOR OF "1" AND GO TO QUESTION 3.

2. In computing your residential factor, was a discount granted to Open Space?

Yes _____% NO _____

3. Was the residential exemption adopted?

Yes _____% NO _____

If Yes, complete the following:

<u>Class I Total Assessed Value</u> \$ _____	x	_____ %	=	_____
<u>Class I Total Parcel Count</u> *		Sel Res Exempt. %		Residential Exemption

* Include All Parcels With A Mixed-Use Residential designation

4. Was a Small Commercial Exemption adopted?

Yes _____% No _____

If Yes, please complete the following:

Number of parcels eligible _____
 Total value of parcels \$ _____
 Total value to be exempted \$ _____

5. The following information was derived from the LA-7. Please indicate in column D percentages (accurate to 4 digits to the right of the decimal point) which result from your selected residential factor. (If a residential factor of "1" has been selected, you may leave Column D blank.)

A	B	C	D
Class	Certified Full and Fair Cash Value Assessments	Percentage Full Value Shares of Total Tax Levy	New Percentage Shares of Total Tax Levy
1. Residential	\$	%	%
2. Open Space	\$	%	%
3. Commercial	\$	%	%
4. Industrial	\$	%	%
5. Pers. Property	\$	%	%
TOTALS	\$	100.0000%	100.0000%

6. I hereby attest that notice was given to taxpayers that a public hearing on the issue of adopting the tax levy percentages for fiscal year **200-** would be held on _____ (date), _____ (time), at _____ (place), by _____ (describe type of notice).

City/Town/District Clerk

7. We hereby attest that on _____ (date) _____ (time), at _____ (place) a public hearing was held on the issue of adopting the percentages for fiscal year **200**, that the Board of Assessors presented information and data relevant to making such determination and the fiscal effect of the available alternatives at the hearing and that the percentages set forth above were duly adopted in public session _____ (date).

8. We have been informed by the Assessors of \$ _____ excess levy capacity.

Cities: Councilors/Aldermen, Towns: Board of Selectmen
 Mayor
 Commissioners

Districts: Prudential Committee
 or

WORKSHEETS

10% SHIFT

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R					
R & O					
C					
CIP					
TOTAL					

25% SHIFT

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R					
R & O					
C					
CIP					
TOTAL					

35% SHIFT

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R					
R & O					
C					
CIP					
TOTAL					

50% SHIFT

CLASS	VALUATION	FFCV PERCENTAGE	NEW PERCENTAGE	SHARE OF LEVY	TAX RATE
R					
R & O					
C					
CIP					
TOTAL					

OPTIONS WORKSHEETS

AT FULL AND FAIR CASH VALUE

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R				
O				
TOTAL R&O				
C				
I				
P				
TOTAL CIP				
TOTAL				

OPEN SPACE DISCOUNT

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R					
O					
TOTAL					

RESIDENTIAL EXEMPTIONS

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
R					
O					
TOTAL					

SMALL COMMERCIAL EXEMPTION

CLASS	VALUATION	FFCV PERCENTAGE	ADJUSTED PERCENTAGE	ADJUSTED SHARE OF LEVY	TAX RATE
C&I					
P					
TOTAL					

THE COMMONWEALTH OF MASSACHUSETTS
 Department of Revenue
TAX RATE RECAPITULATION
OF

FISCAL _____

_____ City or Town

I. TAX RATE SUMMARY

- A. Total Amount to be Raised (from IIE).....\$ _____
- B. Total Estimated Receipts and Other Revenue Sources (from III E)\$ _____
- C. Tax Levy (IA minus IB)\$ _____
- D. Distribution of Tax Rates and Levies Classified Unclassified

(a) CLASS	Levy Percentage (FFCV)	FACTOR	(b) Levy Percentage (from LA-5)	(c) IC above times Each percent in col (b)	(d) Valuation by Class (from LA-5)	(e) Tax Rates (c) ÷ (d) x 1000	(f) Levy by Class (d) x (e) ÷ 1000
Residential							
Open Space							
<u>SUBTOTAL</u>							
Commercial							
Industrial							
Personal							
<u>SUBTOTAL</u>							
TOTAL							

MUST EQUAL 1C

Board of Assessors of _____
 City or Town _____ Date _____ Tel. No. _____

1. _____ 2. _____ 3. _____

Do Not Write Below This Line - For Department of Revenue Use Only

Reviewed By _____	FY2_ Growth _____
Date _____	FY2_ Levy Limit _____
Tax Rate(s) I. _____	FY2_ Base _____
II. _____	FY2_ Estimated _____
	Receipts _____
III. -V. _____	FY2_ Overlay _____

 Director of Accounts

 Date
 Approved by
 Commissioner of Revenue