

# Wellfleet Taxes: A 10-Year Comparison

## *The Effects of the Residential Exemption*

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The residential exemption reduces your tax bill by excluding a portion of your residential property's value from taxation.

It shifts the tax burden from owners of moderately valued residential properties to the owners of vacation homes, higher valued homes and residential properties not occupied by the owner.

### Executive Summary (based on the FY2022 average assessed property value of \$629,716)

- 10-Year Inflation Rate = 24%
- Tax Benefit for Residents from Residential Exemption = \$1,034
- 10-Year Tax increase For Residents = 23%\* (\$703)
- Non-Resident Increase Due to Residential Exemption = \$227 (4.7%)
- 10-Year Tax increase For Non-Residents = 64% (\$1,964)

\* 1% less than inflation rate

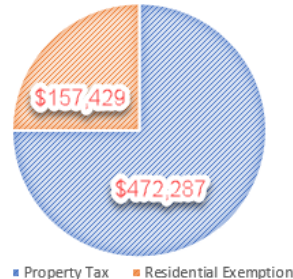
#### Fiscal Year 2012

- Average residential assessment = \$488,915
- No Residential Exemption in effect in FY2012
- Tax rate = \$6.12
- Property tax = \$3,082



#### Fiscal Year 2022

- Average residential assessment = \$629,716
- 25% Residential Exemption = \$157,429
- Tax rate = \$7.78
- Property tax = \$3,785



### Ten-Year Comparison for Residents:

**FY2022 \$3,785**

- 10-year tax increase = 23%
- 10-year inflation rate = 24%

**- FY2012 \$3,082**

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**\$703**

**In inflation adjusted dollars,  
the taxes for FY2012 and  
FY2022 are about the same.**

### Tax for Residents if there were no Residential Exemption:

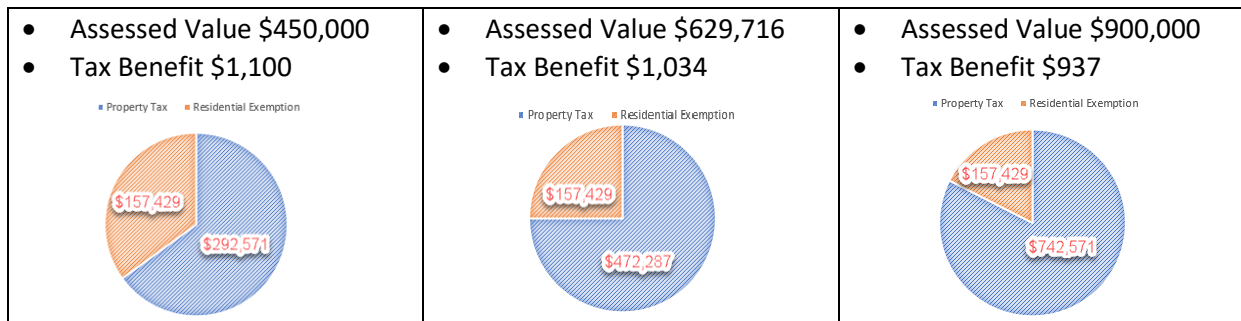
$\$629,716 \times .00743$  (Tax Rate) = \$4,678.79  
 $\$4,678.79 + \$140.36$  (3% CPA) = **\$4,819.15**

### Tax for Residents with Residential Exemption:

$\$629,716 - \$157,429$  (RE) = \$472,287  
 $\$472,287 \times .00778$  (Tax Rate) = \$3,674.39  
 $\$3,674.39 + \$110.23$  (3% CPA) = **\$3,784.62**

**Residential Exemption** – The Residential Exemption in Wellfleet is 25% of the average assessed value which means domiciled residents don't pay taxes on \$157,429 of their home. Massachusetts permits a town to have a maximum exemption of 35%. The FY2022 tax rate = \$7.78. The FY2022 tax rate, if Wellfleet didn't have the Residential Exemption, would have been \$7.43. The Residential Exemption raised the tax rate by 4.7%. Everyone pays at the higher tax rate, but domiciled residents benefit from the Residential Exemption. Non-resident taxpayers pay the higher rate without benefit of the exemption. Commercial properties are not affected and pay their own tax rate of \$7.43.

**Tax Benefit for Residents** - The tax benefit of the Residential Exemption for domiciled residents depends on the assessed value of their home. The benefit skews slightly to homes with a lower assessed value. Here are some examples:



**Tax Increase for Non-Residents Due to Residential Exemption** - A non-resident taxpayer, and those who are not domiciled on their property, with an assessment of \$629,716, paying at a rate of \$7.78, have a tax of \$5,046. If Wellfleet didn't have a Residential Exemption, the rate would have been \$7.43, and the tax would have been \$4,819. The \$227 increase is 4.7%.

Fiscal Year 2012	Fiscal Year 2022
<ul style="list-style-type: none"> <li>Average residential assessment = \$488,915</li> <li>No Residential Exemption</li> <li>Tax rate = \$6.12</li> <li>Property tax = \$3,082</li> </ul>	<ul style="list-style-type: none"> <li>Average residential assessment = \$629,716</li> <li>No Residential Exemption</li> <li>Tax rate = \$7.78</li> <li>Property tax = \$5,046</li> </ul>

**Ten-Year Comparison for Non-Residents:**

**FY2022 \$5,046**  
 - **FY2012 \$3,082**  


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**\$1,964**

- 10-year tax increase = 64%
- 10-year inflation rate = 24%

The 4.7% increase due to the RE is included in the 64%.

**New Projects:**

Wellfleet has retired or reduced some older debt during the past ten years. Some items Wellfleet is funding in FY2022, that it didn't fund in FY2012, include Harbor Dredging; Water System Expansion; Police Station; HDYLTA Trust Land Acquisition; Other Post-Employment Benefits; Pre-School Vouchers.

*The Residential Exemption provides a greater individual benefit to residents than the individual increase to non-residents because there are many more nonresidents than residents.*

*The Community Preservation Act surcharge of 3% is included in above tax calculations.*

Questions or Comments: contact [info@wellfleetforum.org](mailto:info@wellfleetforum.org)