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| 04.22.2016 |  | Memo |
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To

Michael McGovern,

Town Manager

From

Matthew Sturgis,

Tax Assessor

Re

Homestead Impact

Dear Michael,

In anticipation of the upcoming budget ratification, you inquired as to the impact on a representative residential property in Cape Elizabeth due to the changes of the tax rate and the recent increase in the Homestead Exemption.

As of April 1, 2016 the Homestead Exemption was increased from $10,000 to $15,000, which will result in an increased benefit by $94 to qualifying residents. In Cape Elizabeth there are 3,786 residential properties, of which approximately 58% receive the Homestead Exemption. An additional interesting point is that of the 3,786 residential properties there are 3,478 which are condominiums and single family homes, of which 63% currently have Homestead Exemptions.

Last year a single family home valued at $300,000 with a Homestead Exemption had a tax bill of $4,895. That was with a Homestead Exemption of $10,000 and a tax rate of $16.88.

As currently proposed, a residential property assessed at $300,000 will have a property tax bill of $4,999, an increase of $104. This would be based on a tax rate of $17.54 and a Homestead Exemption of $15,000. The percentage increase in the upcoming tax is 2.1%.

I hope this information is helpful as you and the Council advance in your budget discussions. If you need additional information, please do not hesitate to ask.