

CALCULATING REAL ESTATE TAXES

It is the responsibility of the Assessors' Office to establish the taxable valuation of each individual piece of property in the Town. However, the **Assessors do not create value**. Buyers and sellers create the value via their transactions in the marketplace. The Assessors have the legal and moral responsibility to study those transactions and assess the property accordingly.

At Town Meeting each year a budget is voted on by Town Meeting Members taking into account the limits of Proposition 2 ½, and how much money will be needed to meet all appropriations and other expenses. The Assessors have no control over the town's budget.

The difference between the amount approved and the money received from other revenue sources (i.e., state aid, licensing fees, permits, automobile excise) must be raised by property taxation.

The valuation assessments are developed independently from the budget and are used only in the last step of the budgeting process to distribute the Tax Levy. Changing property values does not affect the overall Tax Levy, but it does redistribute the levy. The Assessors calculate the annual tax rate as a means to distribute the Town's budget obligations.

The tax rate is calculated by taking the total tax to be levied and dividing it by the total valuation of taxable property. This results in a tax rate expressed in dollars per thousand dollars of valuation.

For Fiscal Year 2007:

Total Tax Levy \$ 79,316,412

Total Assessed Value \$ 8,941,927,000 = \$ 8.87/1,000