

WHAT IS THE RESIDENTIAL TAX EXEMPTION?

- It is a tax exemption available to domiciled property owners of Wellfleet. It does not apply to commercial property, vacant land, rental property, second homes, or property not occupied by its owner.
- It is an option that is voted on each year by the Select Board at the annual Tax Classification Hearing as part of the tax rate-setting process.
- An amount up to 35% of the average value of the Residential Class (single family, condominium, multifamily, mixed use, and vacant land) may be exempted from the assessed value of domiciled property owners before the tax rate is applied.
- For FY19, the average value of the residential class is \$538,524. The Select Board adopted 20%, making the exemption \$107,705 for all eligible properties, regardless of assessed value.
- The exemption increases the residential tax rate. The amount of the tax levy paid by the class remains the same, but because of the exempted valuation, it is distributed over less assessed value. This higher rate creates a shift within the class that reduces the taxes paid by domiciled owners and increases the taxes of those not domiciled.
- For FY19, the residential tax rate is \$7.73/\$1,000 of valuation. Without the residential exemption, it would have been \$7.40.
- The residential exemption is revenue neutral. It does not raise any “extra” money.