

Town of Carlisle  
Fiscal Year 2026  
Tax Classification Hearing  
November 11, 2025

**Presented by**  
**Carlisle Board of Assessors**

<b>Kenneth Mostello</b>	<b><i>Chairman</i></b>
<b>David Boardman</b>	<b><i>Secretary</i></b>
<b>Ray Modeen</b>	
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The information contained in this handout is intended to provide the Select Board with the necessary information to conduct a public hearing and information session on the classification options available under Massachusetts General Law. This classification hearing allows the Board to consider several options that allow for the shift of the tax burden both **between and within** the Residential and Commercial/Industrial/Personal Property tax classes.

### The 4 options to be presented for consideration are:

1. Selection of a Minimum Residential Factor
2. Granting of an Open Space Exemption
3. Granting of a Residential Exemption
4. Granting of a Small Commercial Exemption

#### Step #1) Calculation of a Single Tax Rate

CLASS	Valuation by Class	% of Total Tax Levy
Residential	2,534,062,035	98.31%
Open Space	-	0.00%
Commercial	12,179,366	0.47%
Industrial	1,509,200	0.06%
Personal	29,797,542	1.16%
<b>TOTAL VALUE</b>	<b>2,577,548,143</b>	<b>100.00%</b>

**(Tax Levy / Total Value) \* 1000 = Single Tax Rate per \$1000 in Value**

**(\$33,018,391 / 2,577,548,143) \* 1000 = \$12.81 per \$1000 in Assessed Value**

## Option 1 - Selection of a Residential Factor

The Select Board must vote on the selection of a residential factor. The implication of this vote determines whether to establish a split tax rate.

### Option #1 – Establish a Single Tax Rate – Residential Factor of 1

The option of selecting a residential factor of '1' would adopt a single tax rate for property classes. **If a factor of '1' were to be adopted, the single tax rate for all classes would be \$12.81** (See previous page)

### Option #2 – Establish a Split Tax Rate

Selection of a residential factor other than 1 will shift the tax burden from the Residential class to the Commercial, Industrial and Personal Property (C.I.P.) classes. The greater the C.I.P. shift selected, the greater the percentage of the tax levy that is shifted to the C.I.P. property classes. The average single-family property value for Fiscal Year 2026 is **\$1,356,763**. The average commercial property value for Fiscal Year 2026 is **\$766,100**. The table below summarizes various shift options and their effect on the average annual single family and commercial property within the community.

Residential Factor	CIP Shift	RO % of Assessed Value	CIP % of Assessed Value	RO Tax Rate	CIP Tax Rate	Avg Single Family Tax Bill	Avg CI Tax Bill
1.0000	1	98.31%	1.69%	\$12.81	\$12.81	\$17,380	\$9,814
0.9957	125	97.89%	2.11%	\$12.76	\$16.01	\$17,306	\$12,267
0.9949	130	97.81%	2.19%	\$12.74	\$16.65	\$17,291	\$12,758
0.9940	135	97.72%	2.28%	\$12.73	\$17.29	\$17,276	\$13,249
0.9931	140	97.64%	2.36%	\$12.72	\$17.93	\$17,261	\$13,739
0.9923	145	97.55%	2.45%	\$12.71	\$18.57	\$17,246	\$14,230
0.9921	146	97.54%	2.46%	\$12.71	\$18.70	\$17,243	\$14,328
0.9919	147	97.52%	2.48%	\$12.71	\$18.83	\$17,240	\$14,426
0.9918	148	97.50%	2.50%	\$12.70	\$18.96	\$17,237	\$14,524
0.9916	149	97.49%	2.51%	\$12.70	\$19.09	\$17,234	\$14,622
0.9914	150	97.47%	2.53%	\$12.70	\$19.21	\$17,231	\$14,721

The selection of a minimum residential factor other than **1.0** would create two separate tax rates: one rate for the Residential Property class and a separate, higher tax rate for the C.I.P. classes. The purpose of this option is to shift tax burden from the Residential class to the C.I.P. classes. A maximum **CIP Shift** of 150 would result in minimal tax savings to the residential class with a reduction of \$149 to the average single-family property while increasing the average commercial property tax bill by \$4,896.

### A Residential Factor of 1 and a single tax rate of \$12.81 is recommended.

*(A vote by the Select Board is required prior to proceeding)*

## **Option 2 - Granting of an Open Space Discount**

Open Space is defined as “land, which is not otherwise classified, and which is not taxable under provisions of Chapters 61, 61A or 61B, or taxable under a permanent conservation restriction, and which land is not held for the production of income but is maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public.”

### **Open Space Discount Details**

- Allows for a discount of up to 25% from the full assessed valuation.
- Granting this discount would create a lower tax rate for the Open Space property class (200 Class) than the Residential property class (100)
- Shifts additional tax burden to all other residentially classified property (100 Class including Single Family properties)

### **Open Space Discounts within Massachusetts**

- Out of 351 Mass. Communities, only 12 have properties classified as Open Space in FY 2025
- 14 of 16 of those communities having properties classified as “Open Space” do NOT grant an Open Space Discount.
- The interpretation of “...contributes significantly to the benefit and enjoyment of the public” is ambiguous.
- Carlisle already has 33 properties currently receiving a Chapter Land exemption (61, 61A or 61B) already provides a means for obtaining a reduction in assessed valuation while also protecting the town through a means to reclaim tax revenue (Rollback Tax)

**An Open Space Discount is not applicable as there are currently no parcels classified as Open Space within Carlisle.**  
*(A vote by the Selectboard is required prior to proceeding)*

### Option 3 - Granting of a Residential Exemption

The Select Board may grant a Residential Exemption for all residential properties in the town that are **owner occupied**. This exemption can range up to 35% of the average assessed value of all residential properties within the community. The average assessed value calculation is determined by dividing the total value of the Residential property class by the residential property count. **(2,534,062,035 / 2,006 = 1,263,241)**

Granting a residential exemption does not reduce the Residential percentage of the tax levy, as established with the selection of a Residential Factor. By granting this exemption, the tax burden would be shifted from lower valued residential properties to both residential properties valued higher than average (see below) **and** to non-owner-occupied residential properties. The granting of Residential Exemption of any size would require an increase to the residential tax rate due to the reduction in the total taxable residential value. In Carlisle, the residential tax rate would rise from **\$12.81** \* to an estimate of **\$18.24**. (see Carlisle Residential Exemption Impact Analysis below for details).

**The outcome of this exemption would result in an increased tax disparity between higher and lower valued residential properties. Those owner-occupied properties below the residential average, 1,263,241 would realize tax savings while those properties valued above the average would realize a real estate tax increase.** Furthermore, this increase would also apply to all non-owner-occupied residential properties and to vacant land who would not be eligible for the exemption valuation credit.

The residential exemption has been adopted by a small number of communities within the Commonwealth of Massachusetts. The table below details the communities that have adopted a residential exemption. These communities have **either** a high percentage of investor-owned residential property such apartments or mixed-use property (Boston, Cambridge, Chelsea, Everett, Somerville, Waltham, Watertown) **or** many vacation / second homes (Barnstable, Nantucket, Provincetown, Truro, Wellfleet). This exemption is intended to provide tax relief to property owners domiciled within these communities.

### Carlisle Residential Exemption Impact Table

<b>Exemption Percentage</b>	<b>Exempted Value Per Parcel</b>	<b>Adjusted Tax Rate</b>	<b>Avg Adjusted SF Value</b>	<b>Avg Single Family Tax Bill</b>	<b>Avg Condo Value</b>	<b>Avg Condo Tax Bill</b>
0%	0	<b>\$12.81</b>	\$1,356,763	\$17,380	\$985,515	\$12,624
5%	\$63,162	\$13.38	\$1,293,601	\$17,311	\$922,353	\$12,343
10%	\$126,324	<b>\$14.01</b>	\$1,230,439	\$17,236	\$859,191	\$12,036
15%	\$189,486	\$14.70	\$1,167,277	\$17,154	\$796,029	\$11,698
20%	\$252,648	<b>\$15.45</b>	\$1,104,115	\$17,063	\$732,866	\$11,326
25%	\$315,810	\$16.29	\$1,040,953	\$16,962	\$669,704	\$10,913
30%	\$378,972	<b>\$17.23</b>	\$977,791	\$16,850	\$606,542	\$10,452
35%	\$442,134	\$18.28	\$914,629	\$16,723	\$543,380	\$9,935

**Massachusetts Communities with a Residential Exemption**

<b>High Density Urban Community</b>	
<b>Municipality</b>	<b>Res Exemption %</b>
Boston	35%
Brookline	21%
Cambridge	30%
Chelsea	35%
Everett	25%
Malden	30%
Somerville	35%
Waltham	35%
Watertown	25%

<b>Resort Community</b>	
<b>Municipality</b>	<b>Res. Exemption %</b>
Barnstable	20%
Mashpee	5%
Nantucket	25%
Oak Bluffs	15%
Provincetown	25%
Tisbury	18%
Truro	25%
Wellfleet	25%

**Summary and recommendation**

Carlisle is unlike the Massachusetts communities that have enacted a Residential Exemption. Single family homes are the largest single property class within Carlisle. Due to the large percentage of owner-occupied residential property within Carlisle (85.54%\*) and the average assessed value of a single-family home, the adoption of Residential Exemption of any percentage is not recommended. As detailed in the table above, residential properties that fall below the average residential valuation calculation, condominiums in particular, with an average assessed valuation of \$985,515, would benefit from significant real estate tax savings while the average single-family property would realize minimal tax relief.

**The Board of Assessors does not recommend a Residential Tax Exemption of any percentage.**

\* Percentage of owner-occupied properties have been estimated using the mailing address of the property’s real estate tax bill.

**Option 3.1 - Impact of the Senior Means-Tested Exemption**

Fiscal Year 2026 is the inaugural year for the new Senior Means-Tested Exemption. Approved in May of 2022 at Town Meeting, this special legislation was signed into law by the Massachusetts legislature in December of 2024. The intent of this special legislation was to provide Carlisle Senior Citizen’s with an additional means for obtaining real estate tax relief. This type of special legislation has been utilized by various communities throughout Massachusetts due to

- 1) the significant increases in local real estate taxes within the past 10 years
- 2) ineffective statutory exemptions with both restrictive qualifications and exemption amounts that have failed to keep pace with inflationary pressures.

Qualifying applicants received (or would have received) a real estate tax exemption matching the Massachusetts Circuit Breaker tax credit on their 2024 Massachusetts State Income Tax filing. Qualifying applicants received (or would have received) the Massachusetts Circuit Breaker tax credit on their 2024 Massachusetts State Income Tax filing. This exemption matches the state income tax credit with an equivalent real estate tax exemption reflected on the 3<sup>rd</sup> and 4<sup>th</sup> quarter real estate tax bills. In addition to having received the Circuit Breaker Tax Credit, applicants were required to have resided in Carlisle for more than 10 years and have a maximum of \$500,000 in assets.

This exemption has similarities to the Residential Exemption detailed previously. Unlike traditional statutory exemptions which are funded via a reduction to the Overlay account, this exemption is applied through the conversion of exemption amount to an assessed valuation credit. The total taxable residential value of all the exemption recipients is then deducted from the total value of the Residential Class resulting in a revised Residential Tax Rate approved by the Select Board’s vote on Option 1 – Selection of a Minimum Residential Factor.

<b>FY26 Total Residential Value -</b>	2,534,062,035
<b>FY26 Total Exempted Value -</b>	- <u>2,060,887</u>
<b>FY26 Revised Residential Value -</b>	2,532,001,148

<b>FY26 Revised Residential Tax Rate -</b>	<b>\$12.82 (+ 0.01)</b>
<b>FY26 Revised Avg Single Family Tax Bill -</b>	<b>\$17,394 (+ \$13.00)</b>

**According to Department of Revenue 2025 statistics, the Fiscal Year 2025 average single family tax bill accounted for 8% of Income per Capita. On average, real estate taxes accounted for 25% of applicants’ annual gross income. This exemption has provided significant tax relief for these Carlisle senior citizens.**

## **Option 4 - Granting of a Small Commercial Exemption**

An exemption of up to 10% of the total property valuation can be granted to commercial properties that meet specific criteria. **Eligible properties must have met the following criteria:**

1. Occupied as of January 1, 2024, by a business or businesses classified only as either sole proprietorships or partnerships(s).
2. Businesses must have an average annual employment of no more than 10 employees during the previous calendar year (calendar year 2022). A multi-tenanted building would require every business located on this property to meet these requirements. **A report detailing businesses with an average employment of less than 10 employees for the calendar year 2024 is provided by the Department of Workforce Development. (This list is not a public document and not available for review.)**
3. Total property value, (both land and building) must have a valuation of less than **\$1,000,000**

Similar to the residential exemption, the total tax levy for the CIP tax class, as established by the adoption of a Residential Factor, does not change.

### **Facts about the Small Commercial Business Exemption:**

- 1) **Applies to only commercially classified property (300 Class) not Industrial classified property (400 Class).**
- 2) **Tax burden is shifted within the commercial and industrial property classes only (300 and 400). It does not shift additional weight onto the Personal Property class (500). Therefore, two separate tax rates would be created, 1 for both Commercial / Industrial Property and another for Personal Property.**

	<b><u>5% Exempted</u></b>	<b><u>10% Exempted</u></b>
<b>Number of Qualifying Parcels</b>	4	4
<b>Valuation Exempted</b>	\$108,865	\$217,730
<b>Tax Dollars Exempted &amp; Shifted</b>	\$1,391.34	\$2,782.68
<b>Revised CI Tax Rate / 1000</b>	\$12.88	\$12.99
<b>Increase in CI Tax Rate</b>	\$0.10	\$0.21

**Number of Qualifying Properties within Carlisle: 4**

**Total Valuation of Qualifying Properties: \$2,177,300**

**\*The CIP rate of \$12.81 is contingent on the selectmen accepting the recommended residential factor of 1.0.**

**\* The Personal Property Tax Rate would remain at \$12.81 and would be unaffected.**

### **Impact Summary and recommendation**

The implementation of a Small Business Exemption would not necessarily benefit the businesses located on the qualifying parcels. Business ownership and property ownership may differ and there is no guarantee that property owners will pass through the tax exemption savings to the business owners.

**The Board of Assessors does not recommend a Small Business Exemption of any percentage.**

## **Table of Contents for attached appendices**

**Page 9** - Exhibit 1 defines the relevant terms pertinent to the establishment of the tax levy. Use these terms to interpret the Fiscal Year 2026 Levy Limit calculation found on the following page

**Page 10** - Demonstrates the method by which the town's levy limit for FY 2025 is calculated. The formula for calculating FY 2026's levy limit is illustrated in this section which begins with Fiscal Year 2025's limit plus 2.5% (the maximum increase allowed under Proposition 2 ½ ) plus the current fiscal year's new growth, overrides or debt exclusions. This total is the maximum allowable levy for the current fiscal year.

**Page 11** - Table #1 provides the historical valuation and the corresponding annual tax bill for the average property within the 2 largest residential property classes in **Carlisle**. (Single Family and Condominiums). Graph #1 charts the change in the average single family tax bill the increase from the previous fiscal year.

**Page 12** – The Fiscal Year 2026 LA-4 form details the total parcel count and property class valuation for all property classes. This form requires annual review and approval from the Department of Revenue – Division of Local Services.

The column entitled "Property Type" on the LA 4 contains the various classes of properties. The properties in the 100-Class are the various types of residential properties in the community. The 300-class are commercial properties, and the 400-class are industrial properties. The 012-043 class represents mixed use properties that contain both commercial / residential components and the 500-class are Business Personal Property Accounts. All properties in the 100-class are taxed at the residential tax rate; all others are taxed at the Commercial, Industrial, Personal Property Rate. A Residential Factor of 1 establishes a single tax rate for all property classes.

**Exhibit 1****IMPORTANT TERMS**

<b>TERM</b>	<b>DEFINITION</b>
<b>Levy</b>	The property tax levy is the revenue a community can raise through real and personal property taxes.
<b>Levy Limit</b>	The maximum a community can levy in a given year equal to last year's levy plus 2.5% plus new growth plus override / exclusion if applicable.
<b>Levy Ceiling</b>	Equal to 2.5% of the total full and fair cash value of all taxable real and personal property in the community.
<b>New Growth</b>	Increase in the tax base due to new construction, parcel subdivisions, condominium conversions and property renovations but not due to revaluation. It is calculated by multiplying the increased assessed valuation by the prior year's tax rate for the appropriate class of property.
<b>Override</b>	A permanent increase to a community's levy limit.
<b>Override Capacity</b>	The difference between a community's levy ceiling and its levy limit. It is the maximum amount by which a community may override its levy limit.
<b>Debt Exclusion</b>	A temporary increase over the levy limit for the payment of a specific debt service item over a specific period of time.
<b>Capital Outlay Expenditure</b>	A temporary exclusion for the purpose of raising funds for capital project costs.
<b>Excess Levy Capacity</b>	The difference between the actual levy and the levy limit.

# Fiscal Year 2026 Levy Limit

MASSACHUSETTS DEPARTMENT OF REVENUE  
 DIVISION OF LOCAL SERVICES  
 BUREAU OF ACCOUNTS

**Carlisle**  


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 TOWN

## Levy Limit Fiscal Year 2026

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FOR BUDGET PLANNING PURPOSES

**I. TO CALCULATE THE FY 2025 LEVY LIMIT**

A. FY 2024 Levy Limit	32,208,566	
A1. Amended FY 2024 Growth	0	
B. ADD (IA + IA1)*2.5%	805,214	
C. ADD FY 2025 New Growth	320,787	
C1. ADD FY 2025 New Growth Adjustment	0	
D. ADD FY 2025 Override	0	
E. FY 2025 Subtotal	<u>33,334,567</u>	
F. FY 2025 Levy Ceiling	<u>60,105,707</u>	I. <u>33,334,567</u>
		FY 2025 Levy Limit

**II. TO CALCULATE THE FY 2026 LEVY LIMIT**

A. FY 2025 Levy Limit from I	33,334,567	
A1. Amended FY 2025 Growth	0	
B. ADD (IIA + IIA1)*2.5%	833,364	
C. ADD FY 2026 New Growth	390,244	
C1. ADD FY 2026 New Growth Adjustment	0	
D. ADD FY 2026 Override	0	
E. ADD FY 2026 Subtotal	<u>34,558,175</u>	
F. FY 2026 Levy Ceiling	<u>64,438,704</u>	II. <u>34,558,175</u>
		FY 2026 Levy Limit

**III. TO CALCULATE THE FY 2026 MAXIMUM ALLOWABLE LEVY**

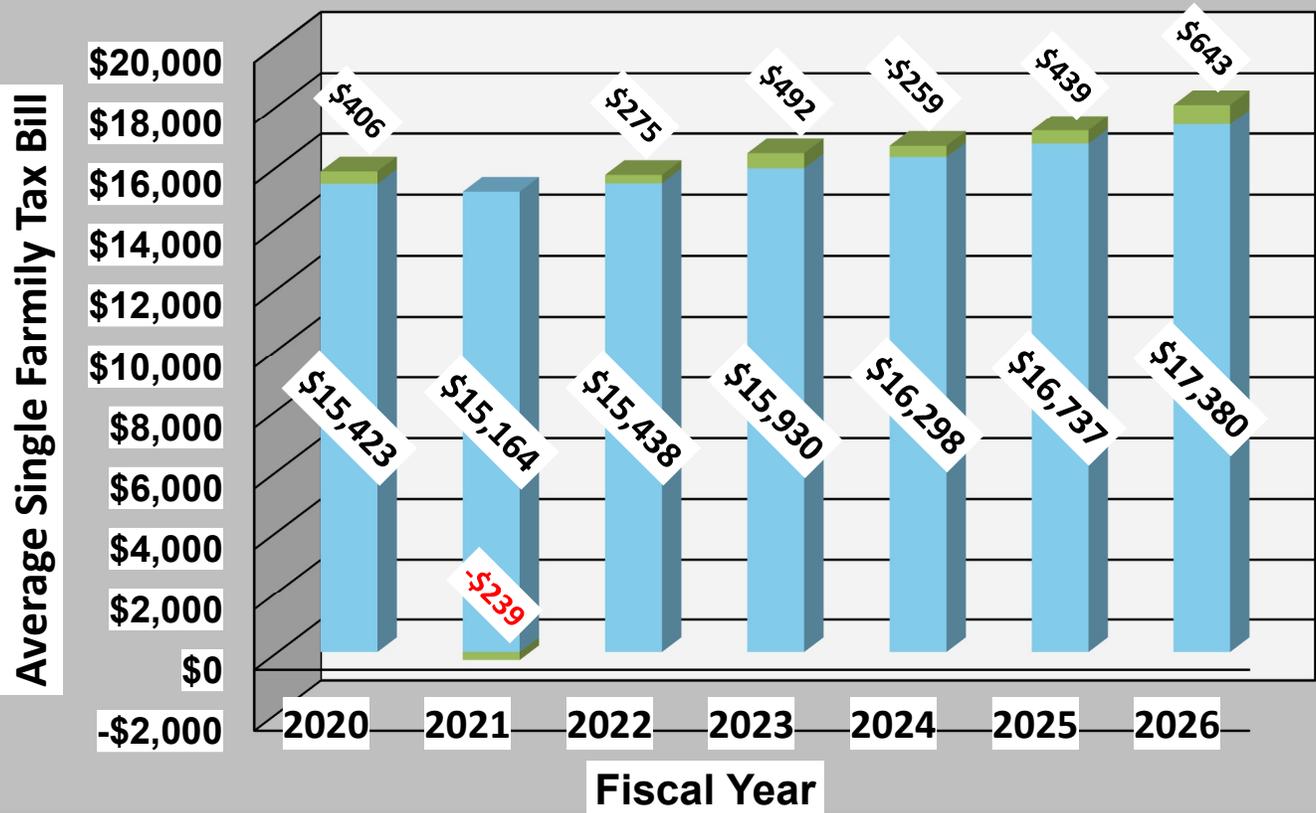
A. FY 2026 Levy Limit from II.	34,558,175
B. FY 2026 Debt Exclusion(s)	2,025,286
C. FY 2026 Capital Expenditure Exclusion(s)	0
D. FY 2026 Stabilization Fund Override	0
E. FY 2026 Other Adjustment :	0
F. FY 2026 Water/Sewer	0
G. FY 2026 Maximum Allowable Levy	<u>36,583,461</u>

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## Carlisle Average Tax Bill History

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Avg. Single Family Value</b>	840,014	931,444	935,664	1,125,829	1,222,690	1,263,496	1,356,763
<b>Percentage Chng in Value</b>	2.31%	10.88%	0.45%	20.32%	8.60%	3.34%	7.38%
<b>Avg. Single Family Tax Bill</b>	\$15,423	\$15,164	\$15,438	\$15,930	\$16,298	\$16,737	\$17,380
<b>Percentage Chng to Tax Bill</b>	2.71%	-1.68%	1.81%	3.19%	2.31%	2.69%	3.84%
<b>Average Condo. Value</b>	565,639	602,749	668,555	807,302	912,990	985,515	985,515
<b>Percentage Chng in Value</b>	8.95%	15.10%	10.92%	20.75%	13.09%	7.94%	0.00%
<b>Avg. Condo. Tax Bill</b>	\$10,385	\$9,813	\$11,031	\$11,423	\$12,170	\$12,989	\$12,624

### Carlisle Average Single Family Tax Bill History



## Fiscal Year 2026 LA-4

MASSACHUSETTS DEPARTMENT OF REVENUE

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**Carlisle**

DIVISION OF LOCAL SERVICES

TOWN

BUREAU OF LOCAL ASSESSMENT

**ASSESSMENT/CLASSIFICATION REPORT as of January 1, 2025**

**Fiscal Year 2026**

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Property Type	Parcel Count	Class1 Residential	Class2 Open Space	Class3 Commercial	Class4 Industrial	Class5 Pers Prop
101	1,774	2,406,897,500				
102	68	67,015,000				
MISC 103,109	1	945,000				
104	9	8,765,900				
105	1	1,369,600				
111-125	1	1,292,300				
130-32,106	147	29,924,000				
200-231	0		0			
300-393	9			6,917,900		
400-442	2				1,509,200	
450-452	0				0	
CH 61 LAND	3	10	0	13,073		
CH 61A LAND	5	9	0	140,182		
CH 61B LAND	2	5	0	243,546		
012-043	5	17,852,735	0	4,864,665	0	
501	61					279,055
502	22					1,651,854
503	0					0
504	2					22,358,095
505	1					1,757,500
506	1					3,577,900
508	3					173,138
550-552	0					0
<b>TOTALS</b>	<b>2,141</b>	<b>2,534,062,035</b>	<b>0</b>	<b>12,179,366</b>	<b>1,509,200</b>	<b>29,797,542</b>
Real and Personal Property Total Value						2,577,548,143
Exempt Parcel Count & Value						188 124,520,900