

**Town of Carlisle
Fiscal Year 2026
Tax Classification Hearing**

Presented by: Carlisle Board of Assessors & Assessing Department Staff

Tax Classification Hearing Agenda

Purpose :

To provide the Select Board with the necessary information to vote on the 4 tax classification options that shall determine the apportionment of the local tax levy born both between and within the various taxable property classes.

1) Selection of a Minimum Residential Factor

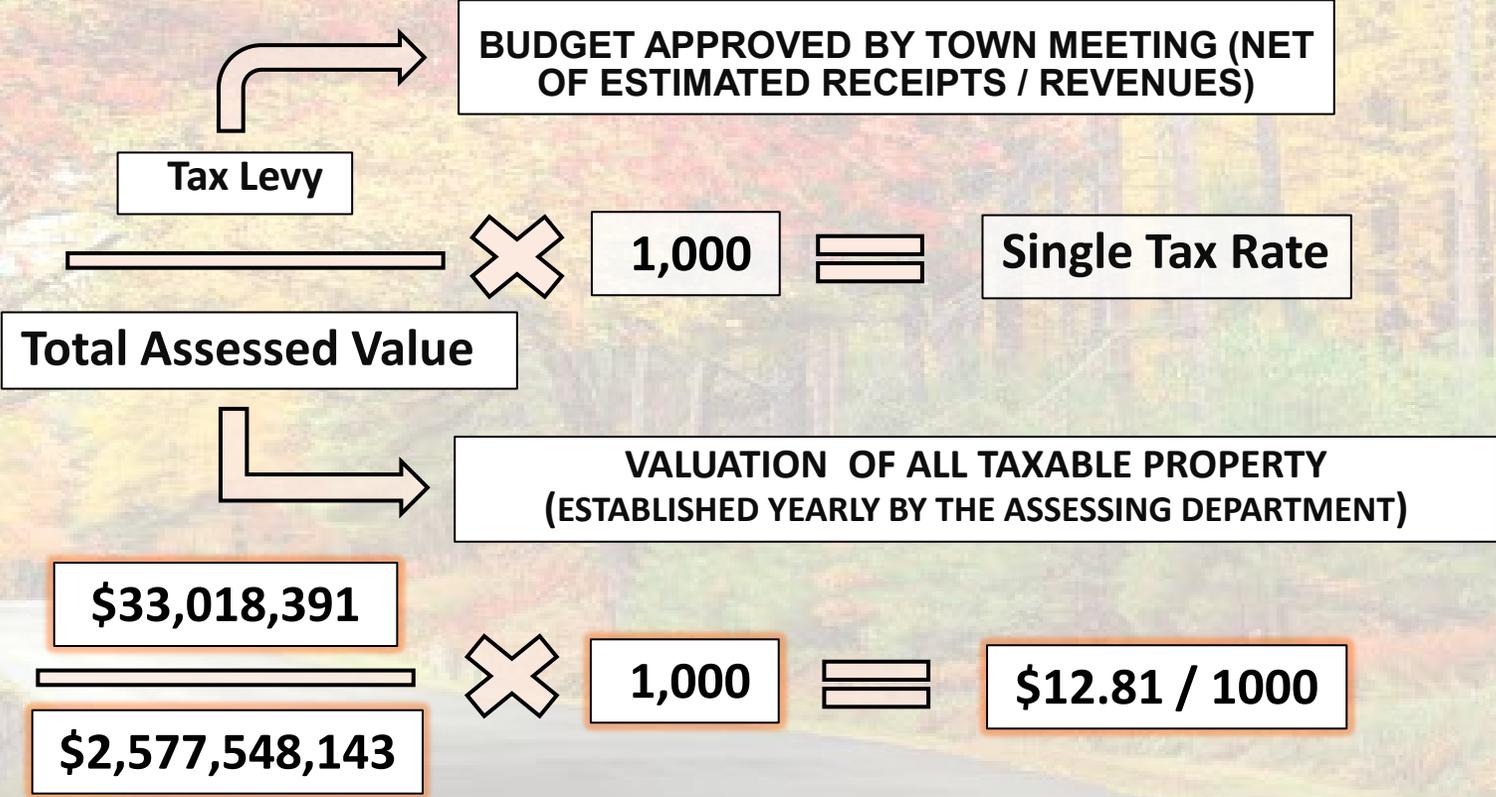
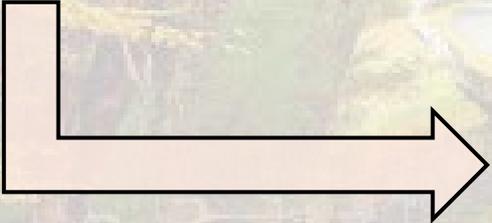
2) Granting of an Open Space Discount

3) Granting of a Residential Exemption

4) Granting of a Small Commercial Exemption

Calculation of the Single Tax Rate

CLASS	Valuation by Class	% of Total Tax Levy
Residential	2,534,062,035	98.3128%
Open Space	0	0.000%
Commercial	12,179,366	0.4725%
Industrial	1,509,200	0.05855%
Personal	29,797,542	1.1560%
TOTAL VALUE	2,577,548,143	100.00%



Carlisle & the 2024 Real Estate Market

Single Family Sales Data	2024	2025	Change
Median Days on Market	20	22	+2
Number of Sales	52	53	+1
Median List Price	1,299,900	1,424,900	125,000
Median Sales Price	1,365,000	1,440,000	75,000
Sale to List Price Ratio	101.3%	100.0%	-1.3%
Gross Living Area	3,255	3,919	664
A.S.R. (Starting)	0.93	0.93	-
A.S.R. (Final)	0.96	0.98	0.02

- Marketing time and sales volume remain unchanged from previous calendar year
- Increases to median list & sale price are, in part, due to larger homes sold in 2025
- Sale to List Ratio reflects similar expectations of buyer and sellers
- 2 straight years of “normal” market appreciation (5%+-) per year indicative of market stabilization

Fiscal Year 2026 Valuation Highlights

1) Targeted adjustments to land values

2) Building value adjustments made for all building styles

3) Average single family value = 1,356,763

4) \$390,244 in taxable New Growth to tax levy base

Classification Option 1

Selection of a Minimum Residential Factor

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

Select a "Single Tax Rate" - Residential Factor of 1

Select a Residential Factor other than 1 - shifts additional tax burden to the C.I.P. property classes.

Maximum C.I.P. Shift allowed is 150

Maximum C.I.P. Shift of 150 will save the average single family home \$149

Board of Assessors Recommendation:

Residential Factor of 1 and a single tax rate for all property classes

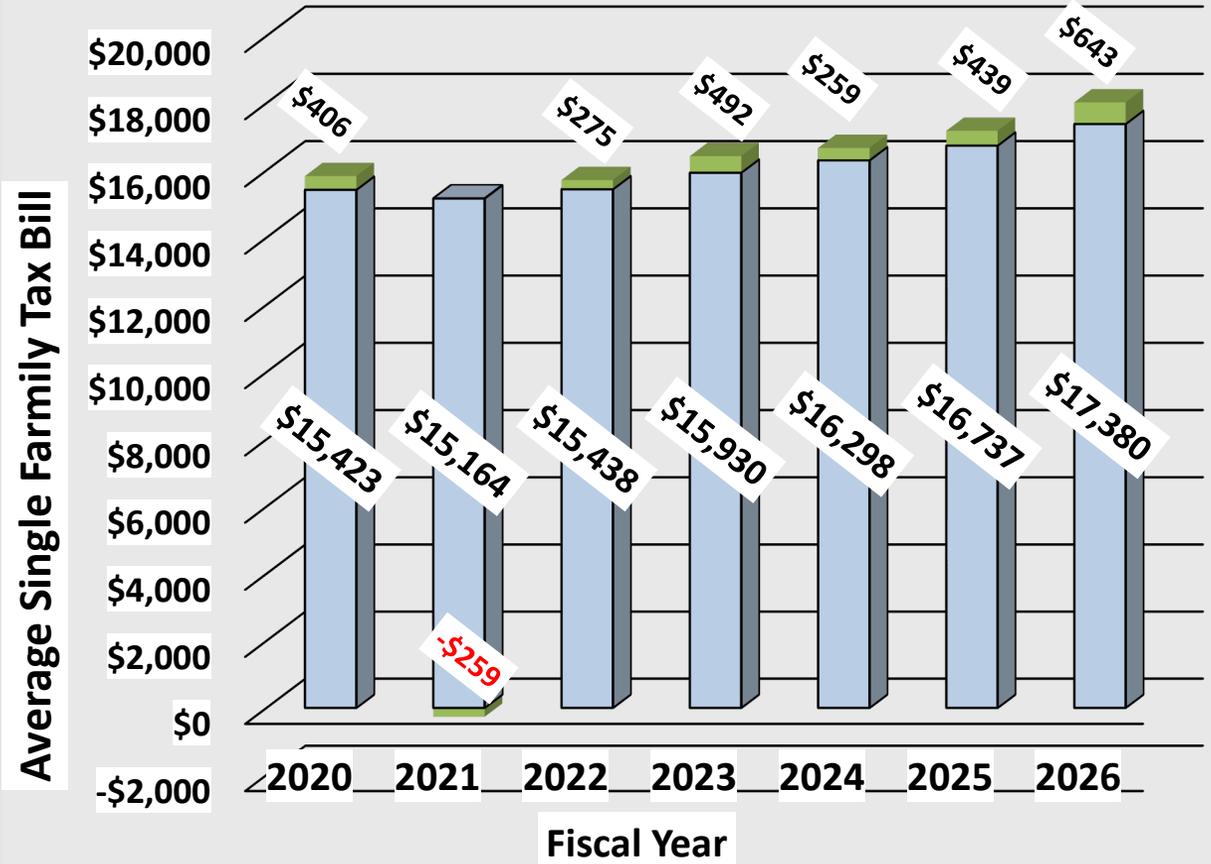
Small number C.I.P properties would see significant real estate tax increase with limited savings to the average single family home

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

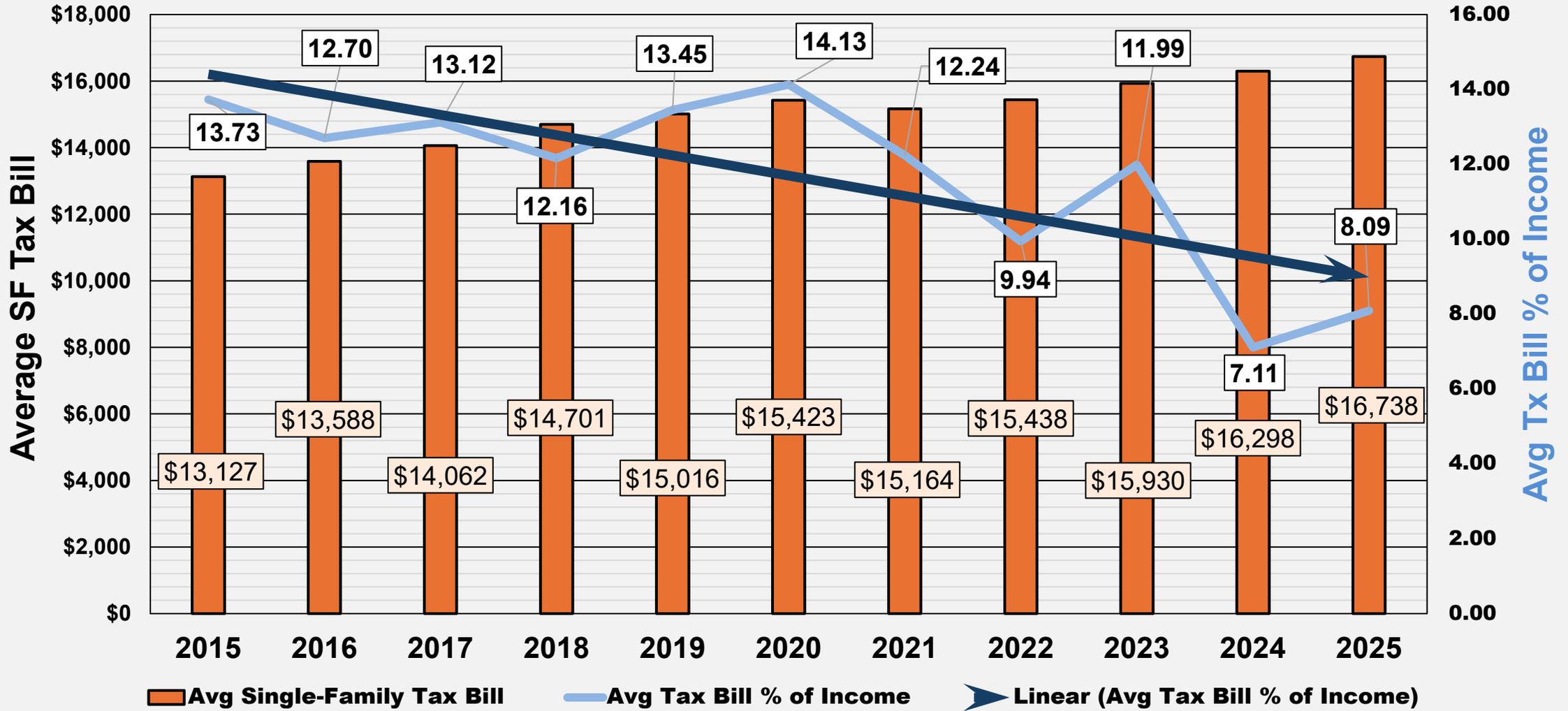
Carlisle Average Single Family Tax Bill History

Fiscal Year	Average SF Value	% Change Value	Avg SF Tx Bill	% Chg Tx Bill
2015	690,884	1.15%	\$13,127	3.10%
2016	790,001	14.35%	\$13,588	3.51%
2017	798,061	1.02%	\$14,062	3.49%
2018	809,094	1.38%	\$14,701	4.55%
2019	821,011	1.47%	\$15,016	2.14%
2020	840,014	2.31%	\$15,423	2.71%
2021	931,444	10.88%	\$15,164	-1.68%
2022	935,664	0.45%	\$15,438	1.81%
2023	1,125,829	20.32%	\$15,930	3.19%
2024	1,222,690	8.60%	\$16,298	2.31%
2025	1,263,496	3.34%	\$16,737	2.69%
2026	1,356,763	7.38%	\$17,380	3.84%

Carlisle Average Single Family Tax Bill History



Carlisle Historical Income / Capita & Avg SF Tax Bill



Granting of an Open Space Discount

Open space

is “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.”

- Allows for a discount up to 25%
- Creates a separate tax rate for Open Space property class (200 Class)
- Shifts additional tax burden to all other residentially classified property (100 Class including Single Family properties)

Not applicable for FY26:

1. No parcels are currently classified as open space
2. Chapter Land Classification is the recommended path for property owners seeking property tax relief (61B specifically)

- **Out of 351 Mass. Communities, only 16 have properties classified as Open Space in FY 2025**
- **1 of those 16 communities grant an Open Space Discount**
- **Carlisle has 33 properties currently receiving a Chapter Land exemption (61, 61A or 61B)**
- **Carlisle currently does not have any properties classified as “Open Space” (200 Land Use Class)**

Recommendation: Not to grant a Residential Exemption
(A vote by the Selectboard is required prior to proceeding)

Residential Exemption (1 of 2)

Purpose / Intent

- Provide real estate tax relief to those residential property owners that own & occupy their domicile

Description

- Reduces the assessed value of qualified residential property by a percentage of the average assessed value of all residentially classified property (0% to 35%) of the Avg

Qualifying Criteria for Property

- Only residential properties qualify (Single Family, Condominium, etc.)
- Owner occupied as of 1/1/2025

- 18 Massachusetts communities of adopted a Residential Exemption
- Majority of these communities fall into 1 of 2 categories

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

Resort	
Municipality	Res Exemption %
Barnstable	20%
Mashpee	5%
Nantucket	25%
Oak Bluffs	15%
Provincetown	25%
Tisbury	18%
Truro	25%
Wellfleet	25%

High-Density Urban - a high percentage on unqualified residential property (apartments, rental properties) such as Boston, Brookline Cambridge, Somerville

Resort - High percentage of 2nd homes (Barnstable, Mashpee, Truro, Wellfleet)

Residential Exemption (2 of 2)

In Carlisle

- Avg residential value = \$1,263,241
- Estimated **85.54%** residential properties would qualify for the exemption
- Minimal real estate tax savings to the average single family home at any percentage
- Condominiums would realize significant real estate tax reduction

Conclusion:

- Carlisle's primary residential property type are owner-occupied single family homes.
- Implementation of this exemption will not achieve the tax relief of those communities utilizing this exemption

<u>Exemption Percentage</u>	<u>Avg Single Family Value</u>	<u>Avg Single Family Tax Bill</u>	<u>% Decrease to SF Tax Bill</u>	<u>Avg Condo Value</u>	<u>Adju Condo Tax Bill</u>	<u>% Decrease to Condo Tax Bill</u>
0%	\$1,356,763	\$17,380	0.00%	\$985,515	\$12,624	0.00%
5%	\$1,293,601	\$17,311	-0.40%	\$922,353	\$12,343	-2.23%
10%	\$1,230,439	\$17,236	-0.83%	\$859,191	\$12,036	-4.66%
15%	\$1,167,277	\$17,154	-1.30%	\$796,029	\$11,698	-7.34%
20%	\$1,104,115	\$17,063	-1.82%	\$732,866	\$11,326	-10.29%
25%	\$1,040,953	\$16,962	-2.41%	\$669,704	\$10,913	-13.56%
30%	\$977,791	\$16,850	-3.05%	\$606,542	\$10,452	-17.21%
35%	\$914,629	\$16,723	-3.78%	\$543,380	\$9,935	-21.30%

A Residential Exemption of any percentage is not recommended for Fiscal Year 2026

(A vote by the Selectboard is required prior to proceeding)

Means-Tested Senior Exemption

- Approved by Carlisle residents at the Town Meeting in 2022
- Bill signed into law by Massachusetts legislature in December of 2024 (almost 2 years!)
- Provides alternative real estate tax relief Carlisle senior citizen property owners

Qualifying Criteria:

- Owned & occupied home for minimum of 10 years
- Applicant must be over 70 year old
- Received (or eligible for) the Massachusetts Circuit Breaker tax credit
- Assets do not exceed \$500,000

MTSE & the Residential Tax Rate

- Similar functionality to the Residential Exemption
- Exemption (\$) is applied via a reduction in the taxable assessed valuation of a recipient's property
- Total value of the Residential property class (100) is reduced resulting in an increase to the Residential tax rate only

Approved

Tax Rate = \$12.81
Avg SF tax Bill = \$17,380

Revised

Tax Rate = \$12.82
Avg SF tax Bill = \$17,394

Recipients paid between 12.48% to 43.43% of gross income toward real estate taxes in Fiscal Year 2025.

Small Commercial Exemption

Description

- Reduces the assessed value of qualified Commercial property by a percentage of the average assessed value of all qualified properties (0% to 10%)
- Tax savings are shifted to other commercial and industrial properties

Qualifying Criteria for Property

- Must be a commercially classified property (300 Class)
- Assessed for less than \$1,000,000
- All businesses on the property must have an average annual employment of less than 10 people (certified by the Dept of Workforce Development)

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

Concerns

- Business occupying the property may not be property owner
- Property Owner (landlord) may or may not pass savings onto the business owner(s)

A Small Commercial Exemption of any percentage is not recommended.

(A vote by the Selectboard is required prior to proceeding)