



The Residential Exemption-FAQ'S

1. **Who is eligible for FY 2018?** - a taxpayer who owns and occupies residential property as their legal residence (domicile) as of January 1, 2017 may apply for this exemption. A domicile is owned and occupied by the applicant on a year-round basis. If the property is co-owned, both owners must qualify.
2. **Is the exemption automatic, or is there an application process?** – The exemption must be applied for with proper documentation provided (please review application and cover sheet for details.) The application with cover sheet can be downloaded from the Assessor's web site or picked up at the Assessor's office. Once qualified, your status does not change unless you change your domicile from Provincetown or place the property in a trust.
3. **When can I apply for the Exemption?** – Applications received on or before August 23rd, 2017, will be applied to the fall 2017 tax bill. Applications received between Oct. 1st, 2017 and April 1, 2018 will be processed as a standard exemption. Applications can be filled up to 90 days from the date of mailing of the fall tax bill (Must be received by April 1, 2018).
4. **Does the Residential Exemption generate additional tax dollars for the Town?** – No, the adoption of a Residential exemption is revenue neutral. The tax levy of the residential class is the same whether the exemption is adopted or not.
5. **Why is the Residential tax rate now higher than the commercial rate?** – There is a loss of value based on the exemption, which must be offset by a higher Residential tax rate. The total tax dollars (tax levy) generated from the residential class must remain the same.
6. **If I receive other exemptions, can I still receive the Residential Exemption?** - Yes, provided that the taxable valuation of such property is not reduced below 10 percent of its full and fair cash value.
7. **How is the exemption amount determined?**- Once the Board of Selectmen has adopted the exemption and voted the percentage (20 percent for FY 2018), the assessor determines the amount of value to be exempted from those qualifying parcels by calculating the following:
 - The total assessed value for all residential properties, including vacant parcels.
 - The total number of residential parcels.
 - Divide the Total residential valuation by the total number of residential parcels. This is the average assessed value of all residential parcels. For FY 2017 this calculates to \$554,010.
 - Multiply the exemption percentage by the average value. This is the amount to be exempted for each qualifying parcel. **$\$578,197 \times .20 = \$115,639$**



8. **How does the Residential Exemption affect my tax bill if I am a Seasonal Resident? – See Example Below:**

PERMENANT RESIDENT		SEASONAL RESIDENT	
Property A with residential exemption		Property A no residential exemption	
Assessed value of	\$500,000	Assessed value of	\$500,000
Residential exemption of	<u>(\$115,639)</u>	Residential exemption of	<u>(\$0)</u>
Taxable Valuation of	\$384,361	Taxable Valuation of	\$500,000
Tax rate per thousand of	<u>\$7.45</u>	Tax rate per thousand of	<u>\$7.45</u>
Property Tax =	\$2,863.49	Property Tax =	\$3,725.00

9. **Do all qualifying domiciled properties receive the exemption?** - Yes, all qualifying domiciled properties receive the exemption. Properties in excess of 3.75 million dollars will see a slight increase in taxes due to the increase in Residential tax rate (see question 5) which offsets the applied exemption.
10. **If I apply for the exemption, will I be notified if the application is approved or denied?** – Yes, applicants will be notified as to the disposition of the application.