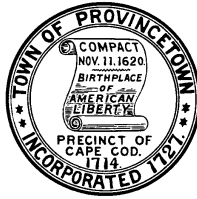


Residential Exemption-FAQ'S

1. **What is a Residential Exemption?** A Residential Exemption is based on the year-round residency of the taxpayer, rather than one's age or financial situation. **OR:** The year-round rental of a unit to a full time Provincetown resident.
2. **Who is eligible for FY 2021?** A taxpayer who owns and occupies residential property as their legal residence (domicile) as of January 1, 2020 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. **OR:** a non-domiciled taxpayer who owns residential property as of January 1, 2020 who rents on a year-round basis to a full time Provincetown resident.
3. **How is the exemption amount determined?** Once the Select Board has adopted the exemption and voted the percentage (25 percent for FY 2021), 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.
 - Multiply the exemption percentage by the average value.
 - The tax dollar value of the exemption is the Exemption amount * tax rate

Total Residential Value	# of Parcels	Ave Assessed Res Value	% Adopted	Exemption amount	As Tax Dollars
\$2,981,551,824	4,254	\$700,882	0.25	\$175,221	\$1,240.56

4. **What does the Residential Exemption percentage mean?** The exemption percentage is the percentage of the Average Assessed residential value that will be used as the exemption amount. The percentage used can be from 1-35%. The actual percentage used is determined annually by the Select Board at the annual Tax Classification hearing.
5. **Is the exemption automatic, or is there an application process?** The exemption must be applied for with proper documentation provided (please review applications 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.
6. **Do I need to reapply for the Exemption annually?** - The traditional Residential Exemption does not need to be refilled unless the property is sold or the ownership changes (the adding of an owner or placing the property into a Trust for example). The Expanded Residential Exemption does need to be applied for annually.
7. **When can I apply for the Exemption?** Applications received between Oct.1st, 2020 and April 1, 2021 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 or by April 1, 2021, whichever is later.
8. **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.



9. **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 per Mass. Dept. of Revenue.
10. **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.
11. **How does the Residential Exemption affect my tax bill if I am a Seasonal Resident? – See Example Below:**

PERMANENT 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	(\$175,221)	Residential exemption of	(\$0)
Taxable Valuation of	\$324,779	Taxable Valuation of	\$500,000
Tax rate per thousand of	<u>\$7.08</u>	Tax rate per thousand of	<u>\$7.08</u>
Property Tax =	\$2,299.44	Property Tax =	\$3,540.00