

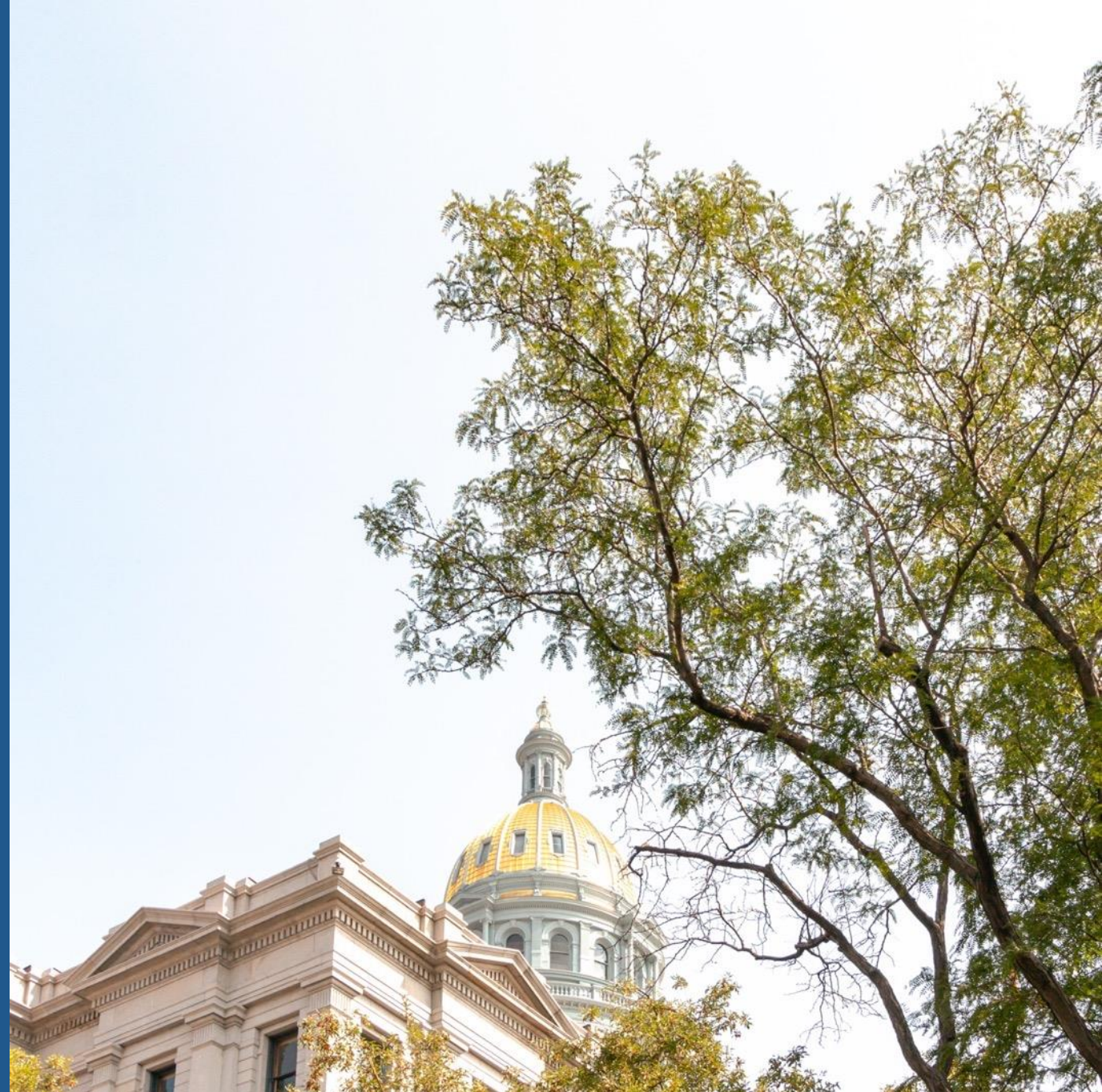


A Look at State Property Taxes and Policies

Ohio Joint Committee on Property
Tax Review and Reform

Eric Syverson, Senior Policy Specialist
NCSL Fiscal Affairs Program

February 28, 2024





Agenda

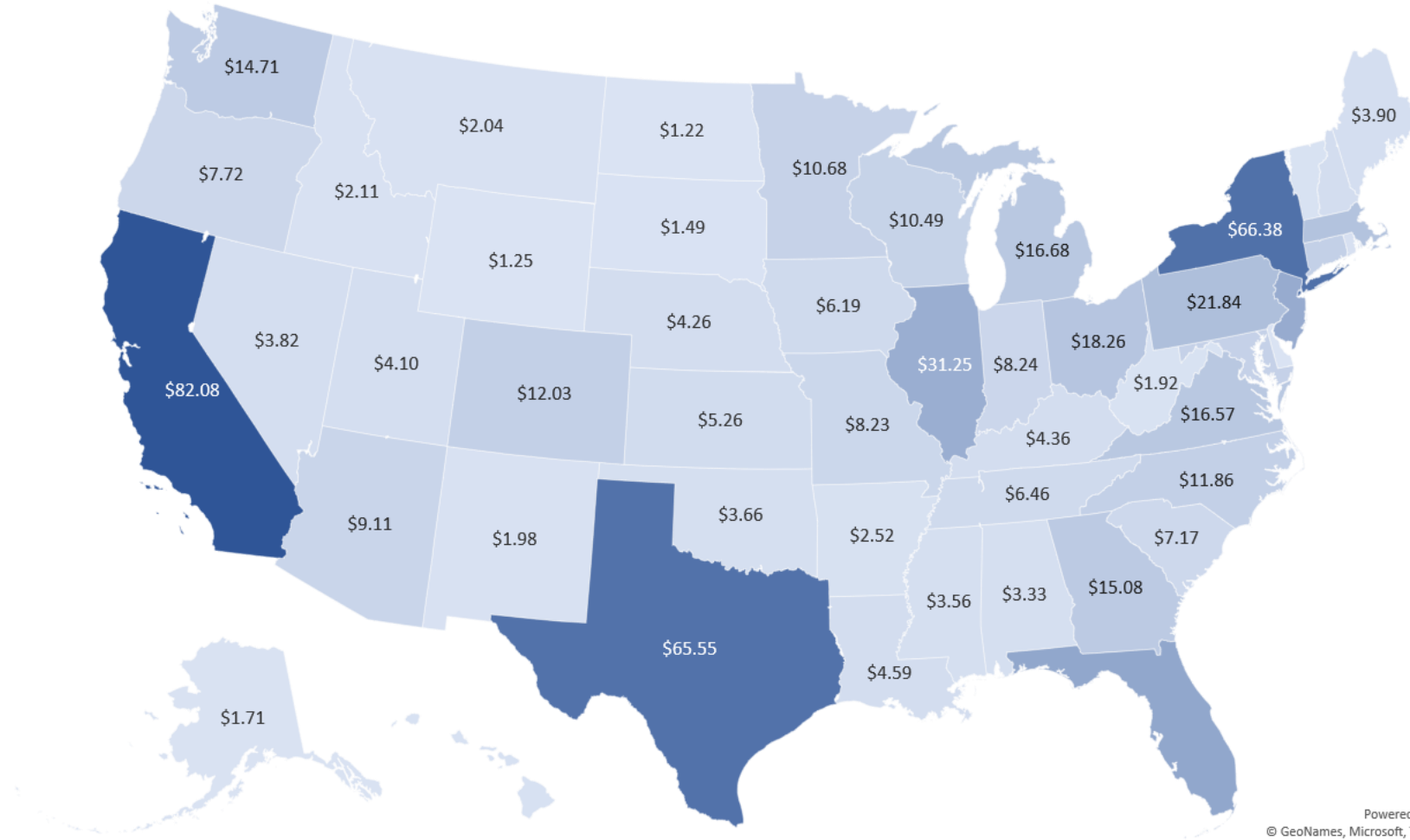
- Property Tax Revenues
 - Comparing State Policies
 - Property Tax Relief
-

State and Local Revenues

Total Revenue, Percentage of Tax Revenue, Effective Tax Rates, Public School Revenues

State and Local Property Taxes – Total Revenue

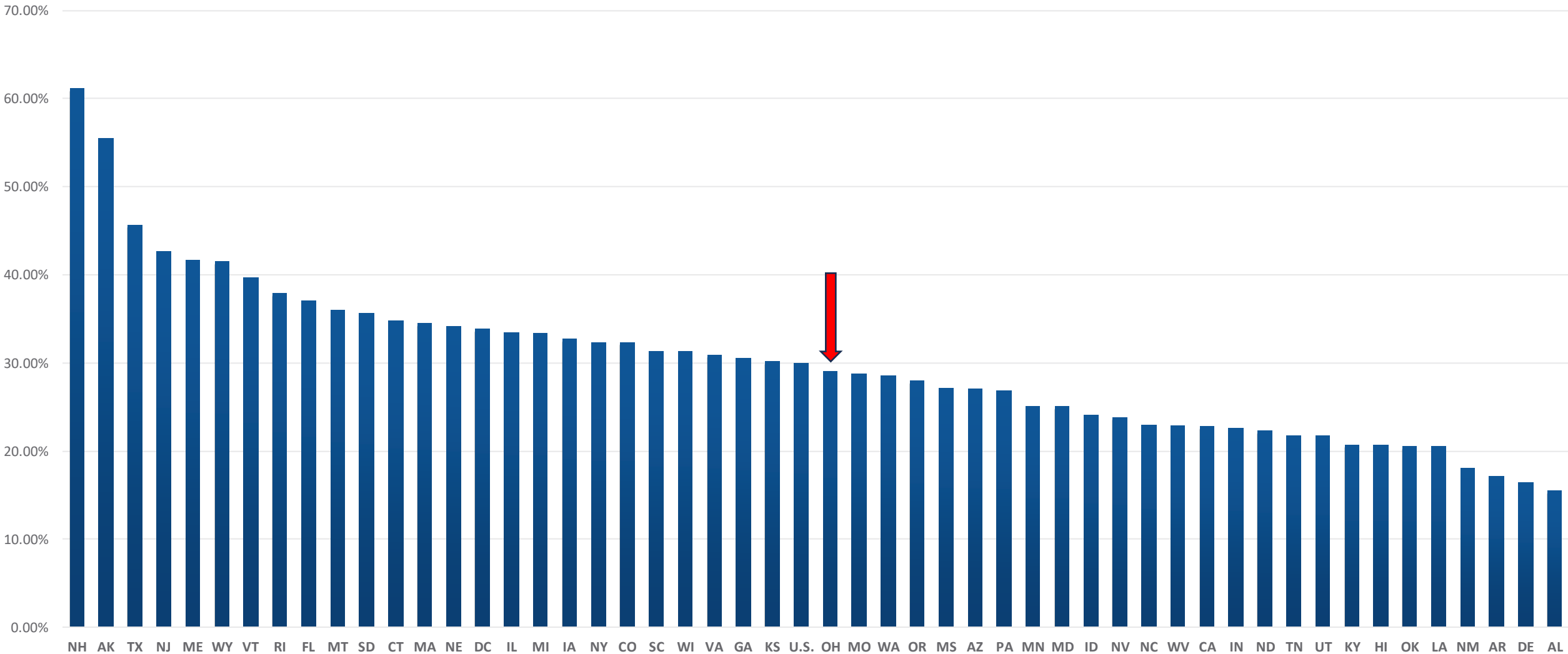
Numbers expressed in billions – Fiscal Year 2021



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Source: [U.S. Census Bureau](https://www.census.gov)

State and Local Property Tax as a Percentage of Tax Revenue FY 21



Source: [U.S. Census Bureau](https://www.census.gov)

Property Taxes as a Percentage of Owner-Occupied Housing Value

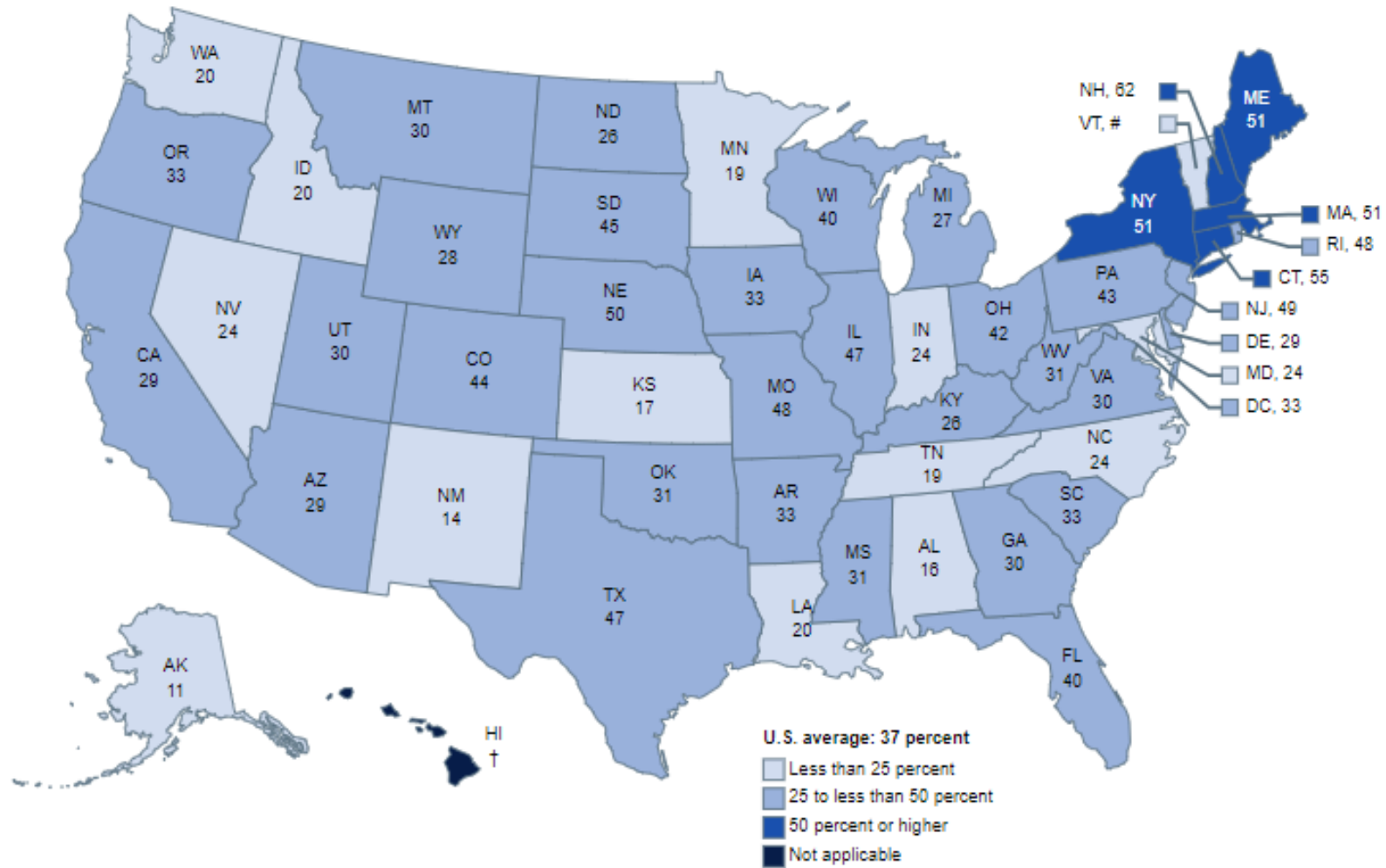
State	Effective Tax Rate
Hawaii	0.27%
Alabama	0.39%
Colorado	0.49%
Nevada	0.50%
South Carolina	0.53%
West Virginia	0.55%
Utah	0.55%
Delaware	0.55%
Louisiana	0.55%
Idaho	0.56%
Arizona	0.56%
District of Columbia	0.56%
Tennessee	0.58%
Wyoming	0.58%
Arkansas	0.59%
California	0.71%
North Carolina	0.73%
New Mexico	0.74%
Virginia	0.76%
Mississippi	0.76%
Indiana	0.77%
Montana	0.79%
Kentucky	0.80%
Florida	0.82%

Source: [WalletHub](https://www.wallethub.com/)

Georgia	0.83%
Oklahoma	0.85%
Oregon	0.86%
Washington	0.88%
Missouri	0.91%
North Dakota	0.99%
Maryland	1.02%
Minnesota	1.05%
South Dakota	1.14%
Massachusetts	1.15%
Alaska	1.16%
Maine	1.17%
Kansas	1.34%
Michigan	1.35%
Rhode Island	1.39%
Pennsylvania	1.41%
Ohio	1.43%
Iowa	1.49%
Nebraska	1.54%
Wisconsin	1.59%
Texas	1.63%
New York	1.64%
Vermont	1.78%
New Hampshire	1.89%
Connecticut	2.00%
Illinois	2.11%
New Jersey	2.33%

Source: [WalletHub](#)

Property Tax Revenues for K-12 Education as a Percentage of Total Public School Revenues, School Year 2019-20



Source: [National Center for Education Statistics](https://nces.ed.gov/ipeds/datacenter/ipedsdatacenter/)

Comparing State Policies

- Local Jurisdictions, Assessment Timelines, Classification Types, Limitation Policies



Local Jurisdictions Imposing Property Taxes

50-State Comparison

Counties Only (2 States)

Hawaii, Nebraska

Municipalities Only (1 State)

Alaska

Counties and Municipalities (4 states)

Alabama, Colorado, Maine, New Jersey,

Municipalities and Special Districts (1 State)

Rhode Island

Counties, Municipalities, School Districts (7 States)

Arizona, Connecticut, Delaware, Mississippi, Nevada, Pennsylvania, West Virginia

Counties, Municipal, Special Districts (5 States)

Maryland, Massachusetts, North Carolina, Virginia, Wisconsin

Counties, Municipalities, School Districts, Special Districts (25 States)

Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Montana, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, Wyoming

Counties, Municipalities, School Districts, Community College Districts (1 State)

Arkansas

Counties, Municipalities, School Districts, Special Districts, Community College Districts (4 States)

California, Michigan, Ohio, Oregon

Source: *Presenter's Interpretation of State Statutes, Bloomberg Tax Research*

Assessment Timelines

50-State Comparison

Valued Annually (35 States and D.C.)

Alabama, Alaska, Arizona, Arkansas, California, Delaware, District of Columbia, Florida, Georgia, Hawaii, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, Wisconsin, Wyoming

Valued Every 2 Years (2 States)

Colorado, Iowa (odd years)

Valued Every 3 Years (1 State)

Maryland

Valued Every 4 Years (2 States)

Illinois, Louisiana

Valued Every 5 Years (3 States)

Connecticut, Idaho, South Carolina

Valued Every 6 Years with 3-Year Update (1 State)

Ohio

Valued Every 8 Years (1 State)

North Carolina

Valued Annually for Personal Property, Every 2 Years for Real Property (2 States)

Mississippi, Montana

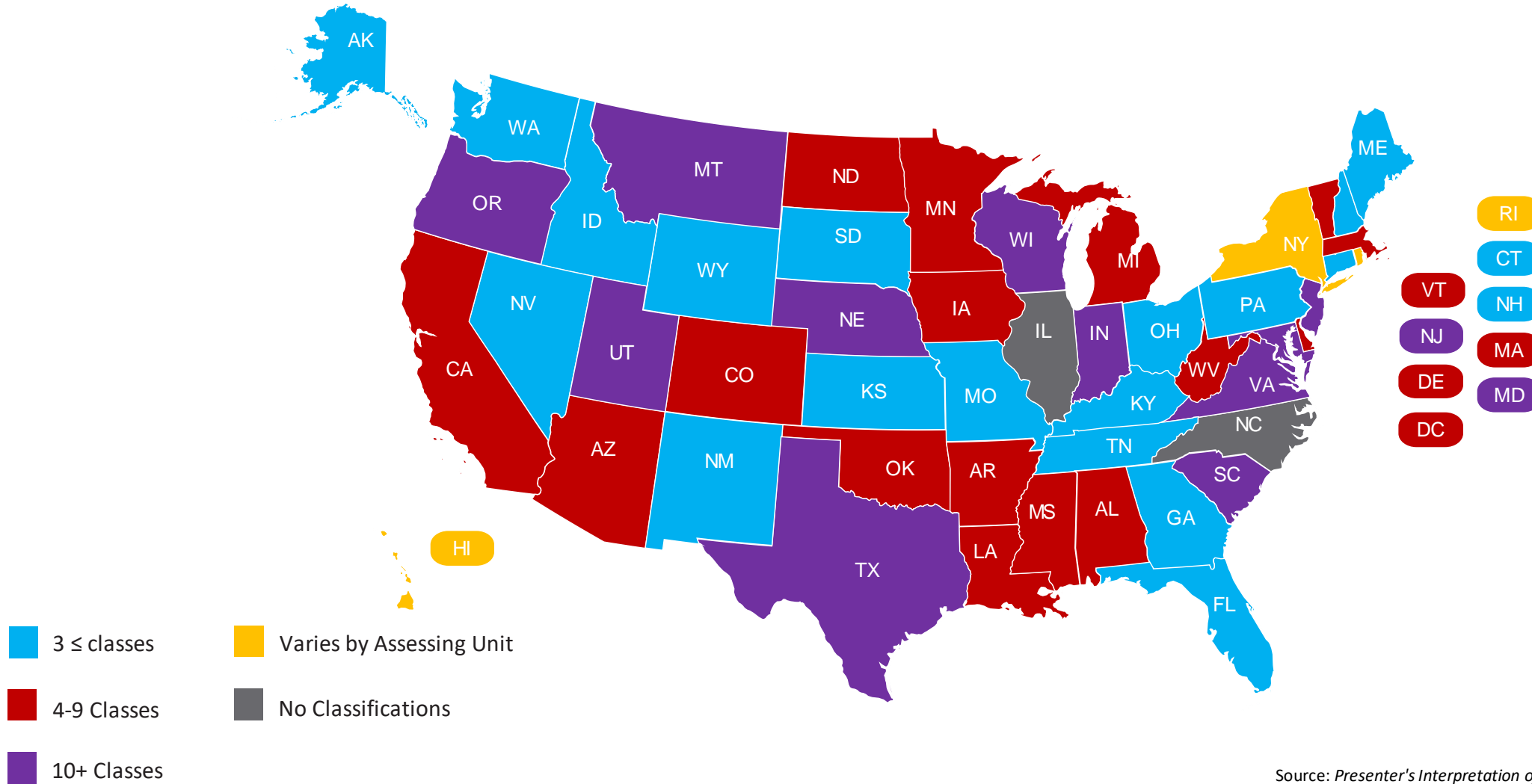
Depends on Locality (1 State)

Virginia

Source: *Presenter's Interpretation of State Statutes, Bloomberg Tax Research*

Classification of Property

Subclasses of Real and Personal Property



Source: Presenter's Interpretation of State Statutes, Bloomberg Tax Research

State Policies Limiting Property Taxes

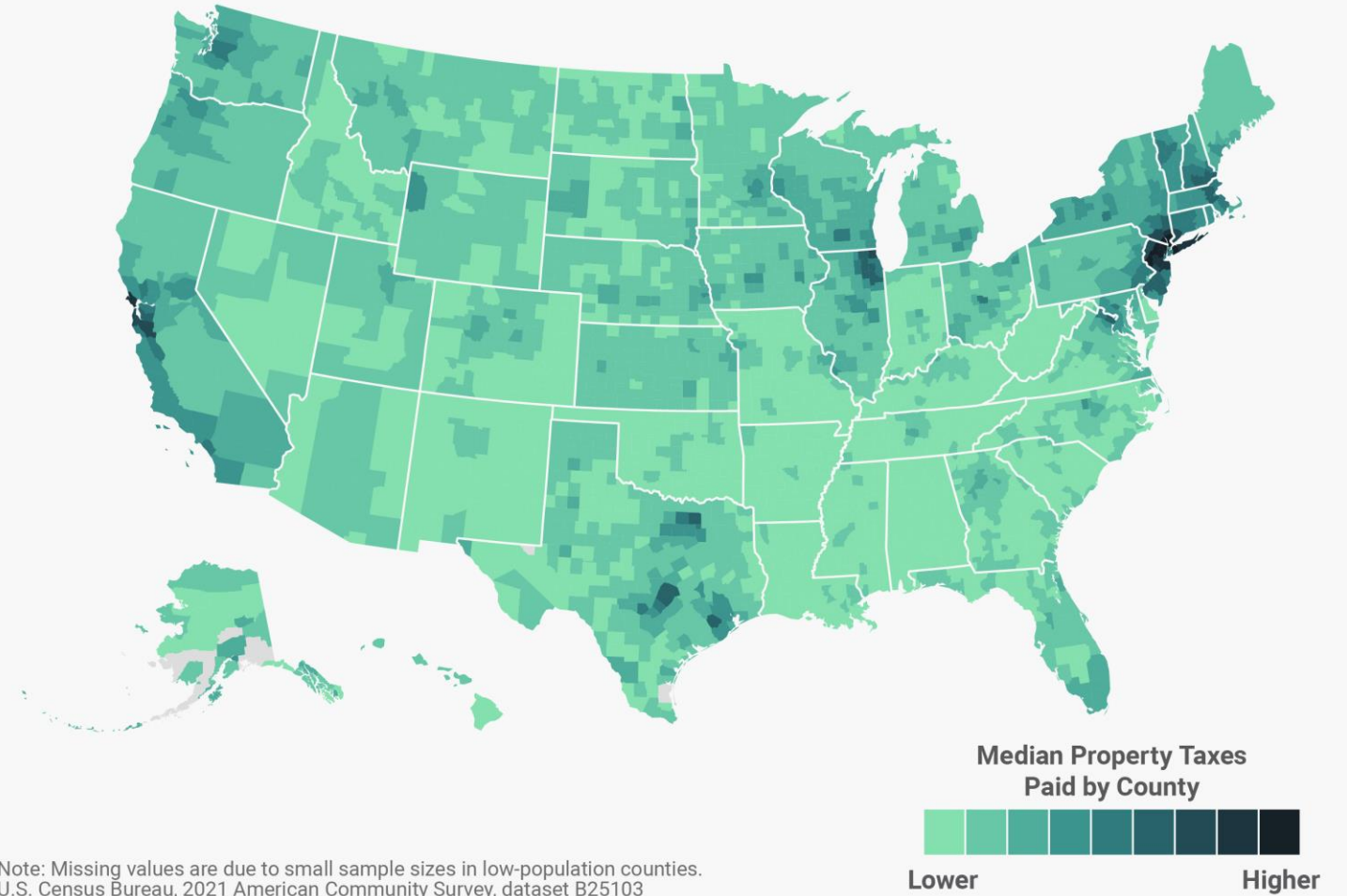
Assessment Limits

Rate Limits

Levy Limits

Where Do People Pay the Most in Property Taxes?

Median Property Taxes Paid by County, 2021 (5-year Estimate)



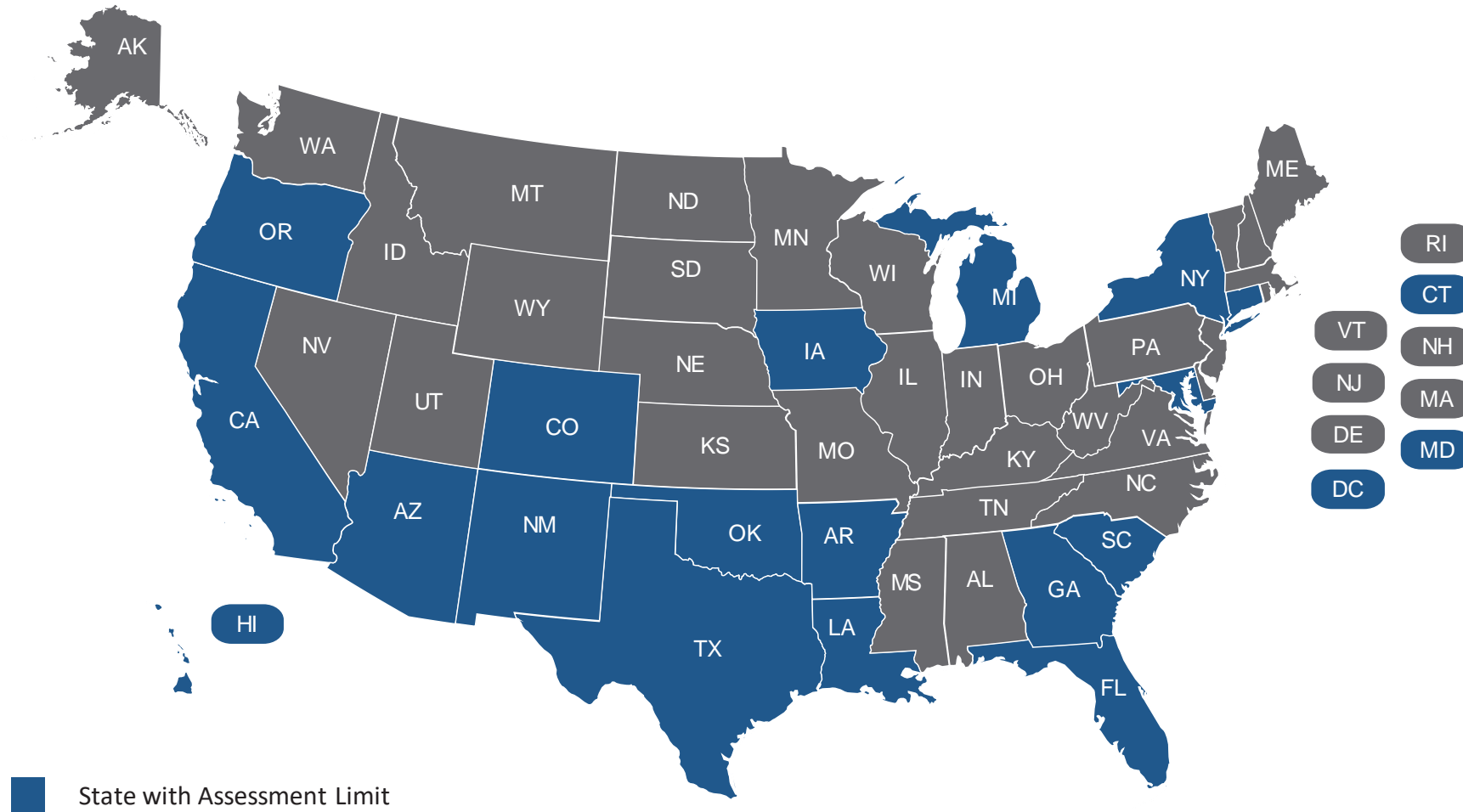
 TAX FOUNDATION

@TaxFoundation

Source: [Tax Foundation](#)

State Assessment Limits

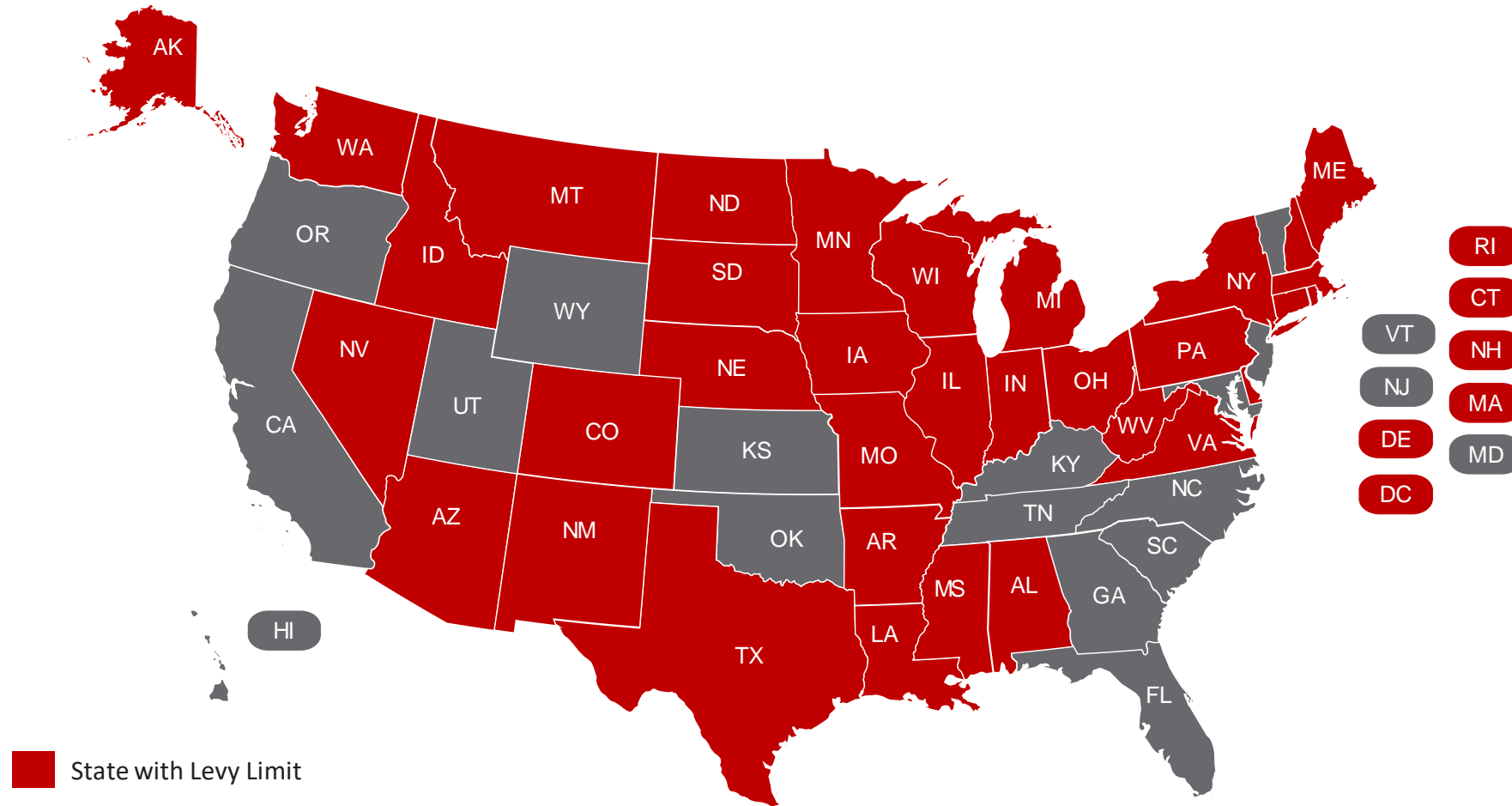
Limiting the Growth in Assessed Value



Source: Lincoln Institute of Land Policy – [Significant Features of the Property Tax](#)

State Levy Limits

Restricting Total Revenue Collections

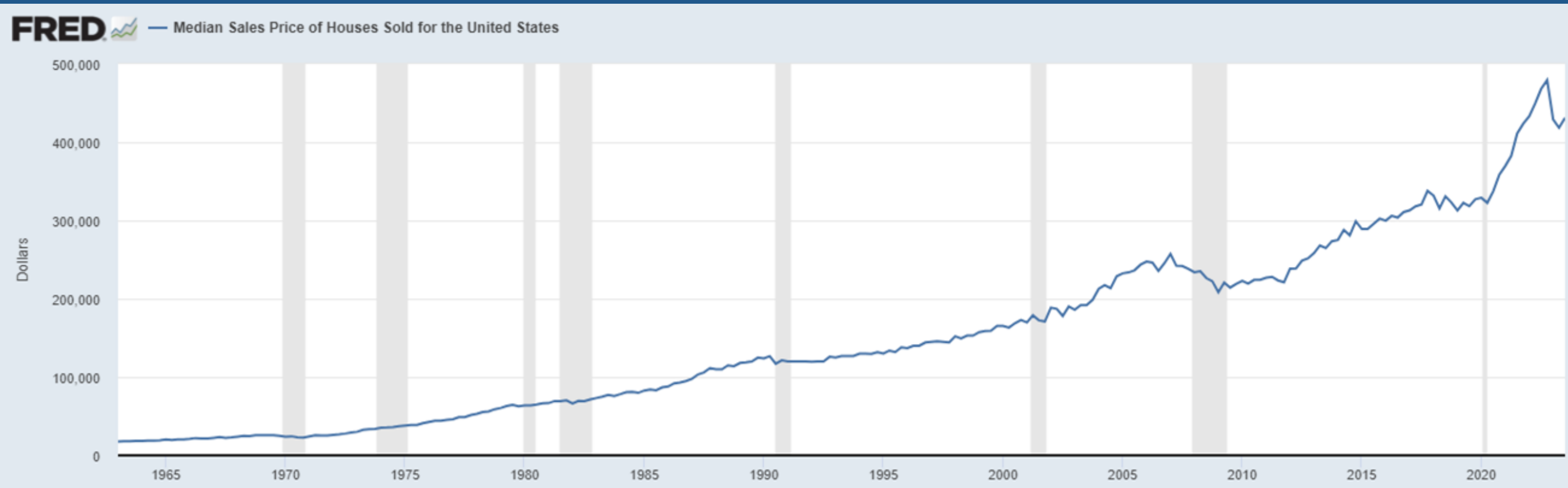


Source: Lincoln Institute of Land Policy – [Significant Features of the Property Tax](#)



Property Tax Relief

Property Tax Relief



Source: [FRED](#), Federal Reserve Bank of St. Louis

14 states enacted property tax relief in 2023

Property Tax Relief

State Legislation in 2023



Arkansas ([Act 315](#))

- Increase property tax credit to \$425

Colorado ([S.B. 23B-001](#))

- Exempt \$55,000 in assessed value, temporarily reduce rate to 6.7%

Georgia ([H.B. 18](#))

- One-time Property Tax Relief Grant reduces valuations by \$18,000

Iowa ([H.F. 718](#))

- Institutes local levy limits and homestead exemptions for seniors, veterans

Indiana ([H.B. 1499](#))

- Increases supplemental homestead deduction, caps levy limit growth to 4%

Idaho ([H.B. 292](#))

- Provides a property tax reduction credit, offsets local government and school revenues with state funds, relaxes circuit breaker criteria

Louisiana ([S.B. 127](#))

- Allows localities to provide \$2,500 property tax exemption to first responders

Property Tax Relief

State Legislation in 2023



Michigan ([S.B. 176](#))

- Ensures spouses of disabled veterans receive property tax exemptions

Missouri ([S.B. 190](#))

- Provides a property tax freeze for those eligible for Social Security

North Dakota ([H.B. 1158](#))

- Offers Primary Residence Credit up to \$500 against property tax obligation

New Jersey ([A.B. 1](#))

- Caps property tax bills for homeowners over 65 at \$6,500

Texas ([S.B. 2](#))

- Increases homestead exemption to \$100,00

West Virginia ([H.B. 2526](#))

- Provides income tax credits for amounts paid for property taxes

Wyoming ([H.B. 99](#))

- Amends property tax refund program to allow more people to qualify

Property Tax Relief

48 States and D.C. Offer One or Both



Homestead Exemptions

- Credit against property tax due
- Exemption from tax on portion of property value

Circuit Breaker Tax Credits

- Targeted relief to low- and moderate-incomes
- Protecting against property value increase by indexing to incomes

Additional Resources

- [NCSL Primer](#) on Homestead Exemptions and Circuit Breakers
- NCSL *State Tax Actions [Database](#)*
- NCSL – [A Guide to Property Taxes: The Role of Property Taxes in State and Local Finances](#)
- Lincoln Institute of Land Policy – *Significant Features of the Property Tax [Database](#)*
- Tax Foundation – [Property Tax Limitation Regimes: A Primer](#)
- Tax Policy Center – [How do state and Local Property Taxes Work?](#)





Thank you! Questions?

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