Residential Tax Analysis

Several years ago the Board of Selectmen adopted a 20 percent Residential Tax Exemption that lowers the tax on homes owned by full-timers. The exemption pays for this tax break for full-timers by imposing a higher tax on part-time resident homeowners. The Assessor’s page on the Town’s website points out that in FY 2018, because of the existing 20 percent exemption, a part-time resident owner of a home assessed at $500,000 pays 30 percent more in taxes than a full-time resident pays for a home assessed at $500,000 – a tax of $3,725 for the part-time resident homeowner vs. a tax of $2,863 for the full-time resident homeowner.

The Town has just made the part-time resident homeowner’s tax burden even more disproportionate by getting the Massachusetts legislature to approve the expansion of the Town’s Residential Tax Exemption to landlords who rent a unit to a full-time resident who uses it as a principal residence. Even though part-time resident homeowners already pay at least about 85 percent of all residential real estate taxes, this new legislation will force part-time resident homeowners to pay an even greater, disproportionate share of the Town’s tax burden. Moreover, many town officials are already speaking in favor of raising the Residential Tax Exemption from its current level of 20 percent to as high as 35 percent.

​

**The PPRTA opposes the Residential Tax Exemption in all its forms because it unfairly and disproportionately taxes part-time residents who have no vote over budgets.**

Even with this additional tax subsidy for full-timers, a number of them view part-time resident homeowners as part of the summer tourist crowd, so we should pay more for the added infrastructure that the Town needs to support the summer crowds. However, we are not tourists; we are full-time taxpayers.  Moreover, we number only about 2,500 and are not the cause of the added infrastructure needed for the 55,000+ tourists.

Part-time residents already pay more than our proportionate share due to the existing Residential Tax Exemption. The Town lives off the summer tourists and the cost of the infrastructure needed for 55,000+ tourists is merely the investment that the Town needs to make to support its largest industry. Full-timers and part-timers alike should all pay their fair and proportional share of this investment.  We urge registered voters to reject the exemption in all its forms.

**Related Facebook posts by town officials:**

Tom Donegan, Selectman  
“Great news! Thanks to the efforts of Sarah Peake and Julian Cyr, the residential exemption in Provincetown has been extended to property owners who rent homes to year-round residents. David B. Panagore will post details on how and when property owners may apply in the next week or two. (H 3860 signed by Gov Baker)”

Mark Hatch, Finance Committee Member:  
“Hi everyone! The third Article the Finance Committee has placed on the Warrant is an advisory Article to direct the Board of Selectmen, at their next tax rate setting session, to raise the Resident Exemption to 23% from the current 20%. Why 23%, you ask? While individual tax bills may vary, an analysis was done on current borrowing commitments and if we raise the exemption by 3% it should give the residents, and now people who rent to year-round tenants, no impact on the average tax bill. One of the points we feel strongly about is cost allocation, and making sure projects we're taking on primarily for the summer season, are not disproportionately borne by the year-round residents. Please help us support this Article, and help us to stabilize taxes for the full-time population and also provide an assist to the year-round rental market. Thanks!”

Our analysis of the Provincetown Assessor’s data shows that 85 percent of homes in Provincetown are owned by part-time residents – the majority of these homes being condominium units. Part-time residents pay 85 percent of residential real estate taxes and yet have no voice or vote over budgets. Please support the PPRTA with your membership dues and encourage your friends and neighbors to do the same as we work to gain representation in local government.