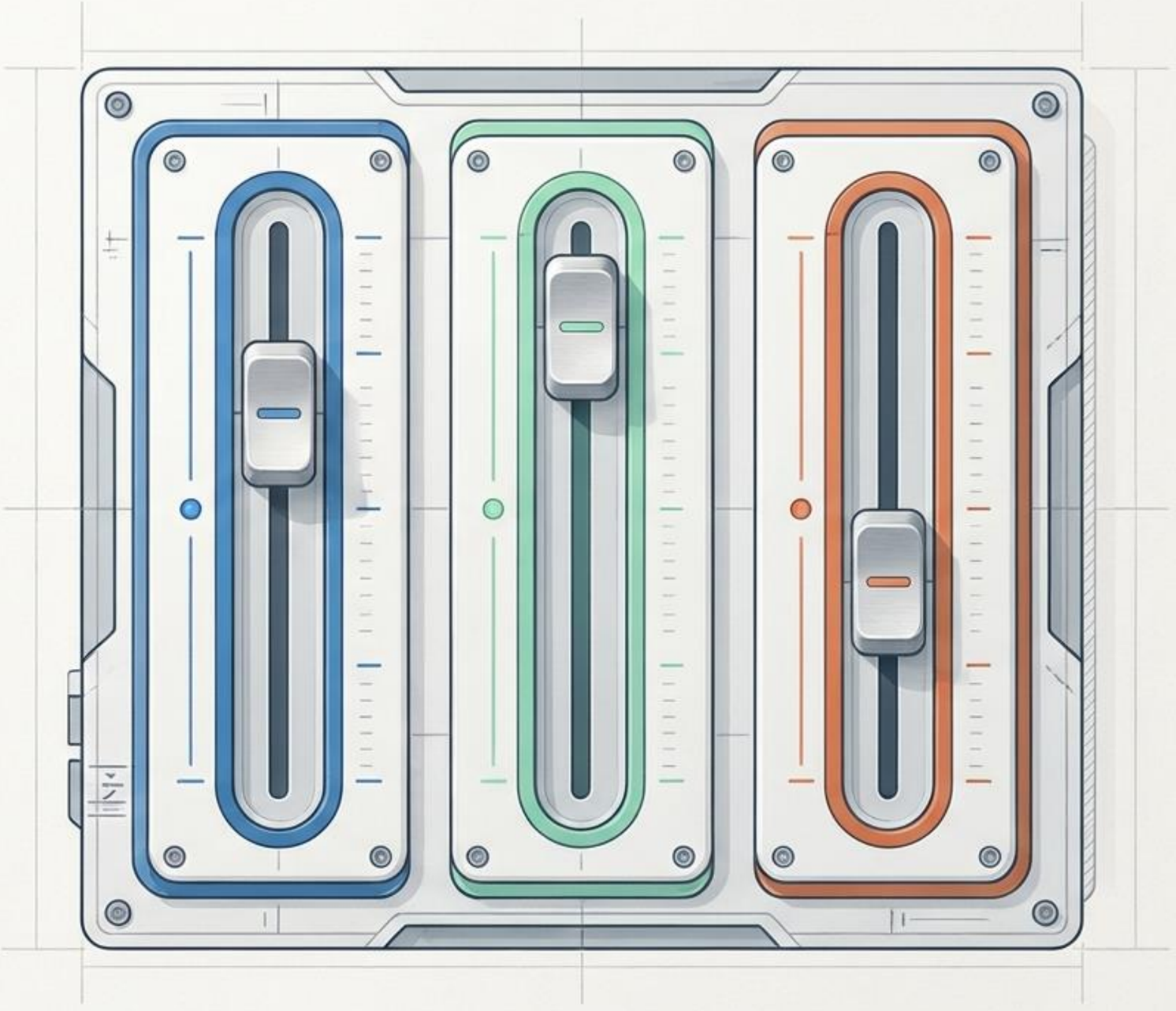
FY 2027 Tax Levy Shifting Options

Understanding the Mechanics and Tax Bill Impacts for the Town of Barnstable.



Gemini Notebook

The starting baseline is a fixed $161.2 million tax levy across all property classes



Industrial: **0.42%** ($681,574)

Personal: **2.36%** ($3,799,620)

Commercial: **7.44%** ($11,993,345)

Residential: **89.78%** ($144,777,920)

Tax Rate Calculation

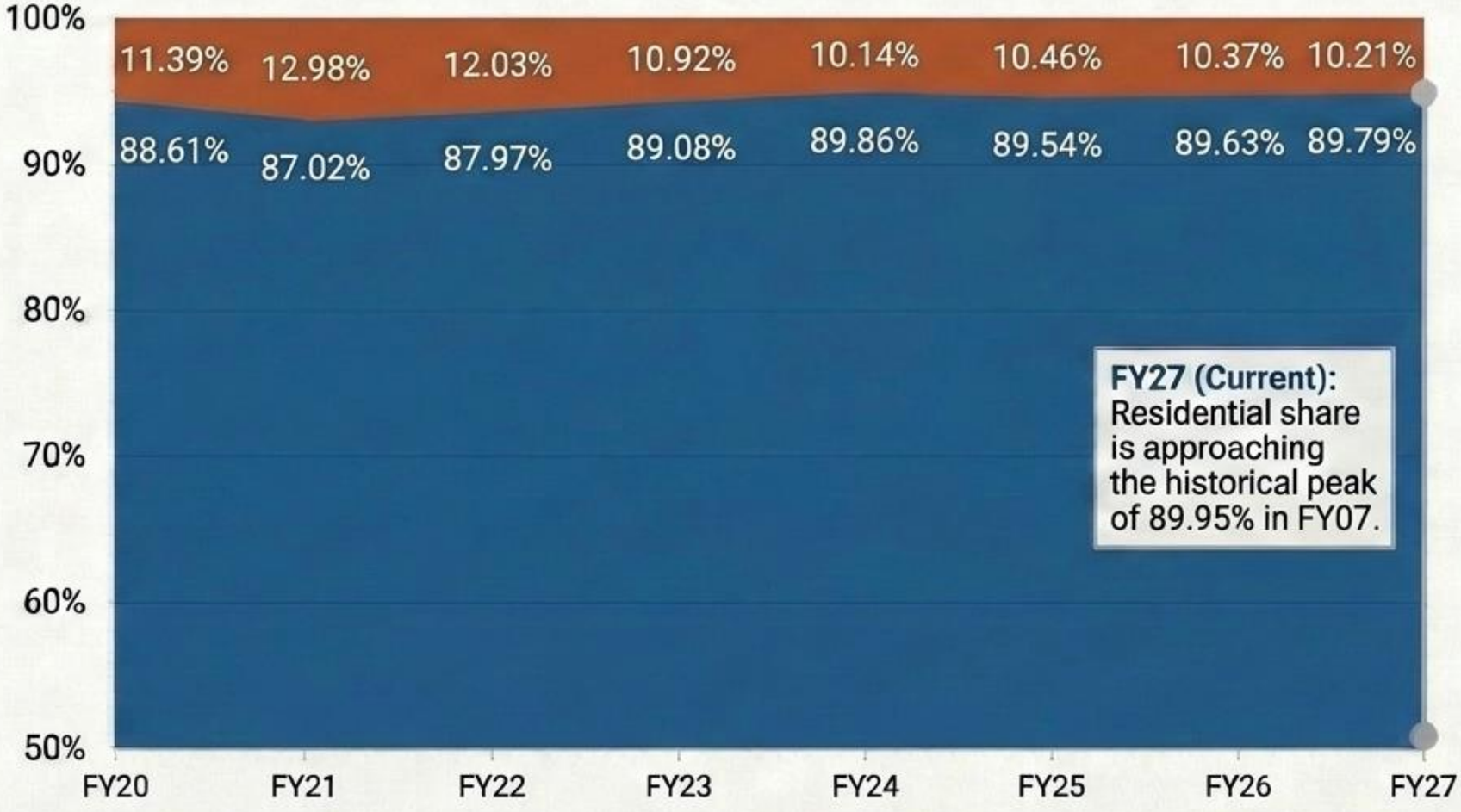
Total Tax Levy: $161.2M
÷ Total Assessed Value: $27,420M
= 0.00588

Tax Rate: 0.00588 x $1,000
= $5.88 per $1,000

Before any tax levy shifting options are adopted, the tax rate is flat across all classes. This represents a Minimum Residential Factor (MRF) of 1.000.

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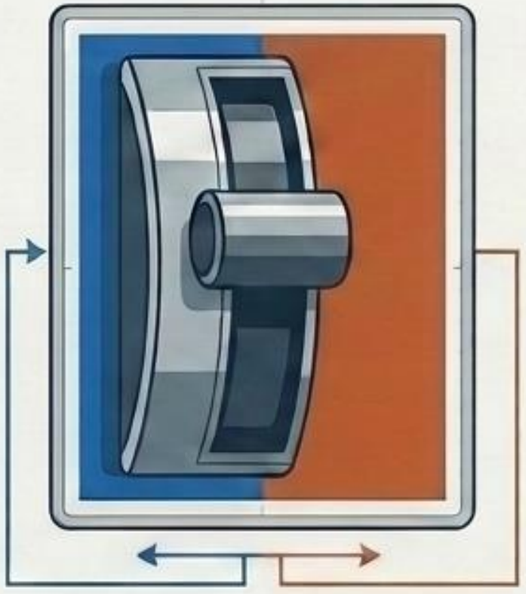
Stronger growth in residential values has organically shifted the tax burden over time



Because residential property values have grown faster recently than commercial, industrial and personal properties, residents naturally shoulder a larger percentage of the town's fixed $161. 2M tax levy today than they did a few years ago.

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Three distinct levers exist to redistribute the FY27 tax levy



Lever 1: Minimum Residential Factor (MRF)

Shifts BETWEEN classes.

Moves the tax levy away from residents and onto commercial, industrial, and personal property (CIP).



Lever 2: Residential Exemption (RE)

Shifts WITHIN the Residential class.

Protects primary residents by moving the tax levyto higher-valued properties, vacation homes, and non-owner-occupied rentals.



Lever 3: Small Commercial Exemption (SCE)

Shifts WITHIN the Commercial class.

Protects qualifying small commercial property owners by moving the tax levy to larger, non-qualifying commercial and industrial properties.

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Lever 1: The Minimum Residential Factor (MRF) acts as a seesaw between classes

The Mechanic:
The MRF allows the community to intentionally shift a portion of the tax levy away from the residential class and onto the CIP class.



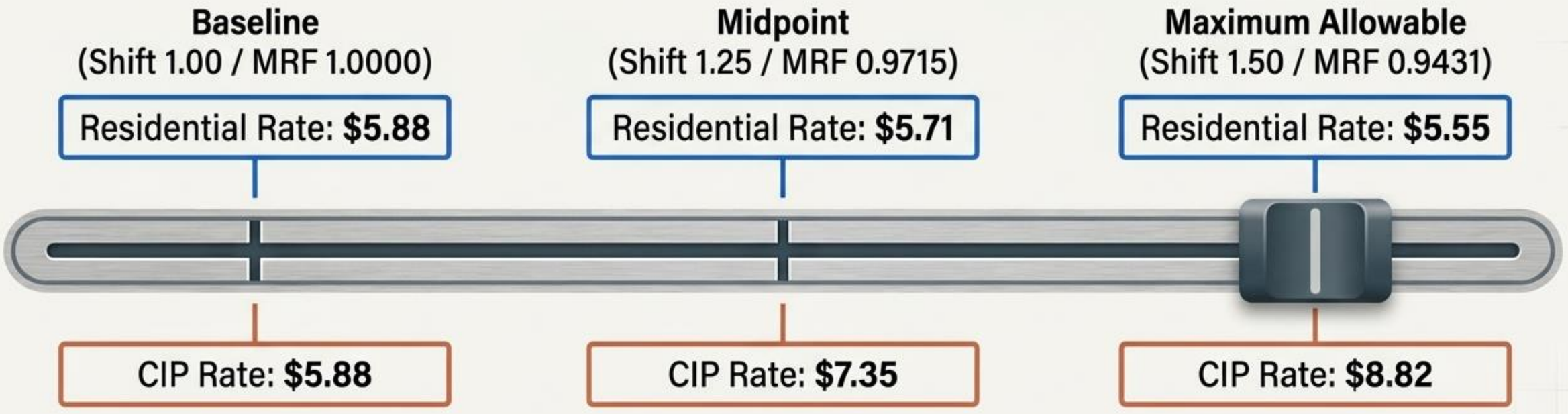
The Increment Rule:
Every 5% shift transfers approximately $824,000 in tax levy from Residential to CIP.

The Statutory Floor:
Barnstable's MRF cannot drop below 0.9431. This is the hard limit where the CIP class pays 1.5 times the base tax levy.

Requires a Public Hearing

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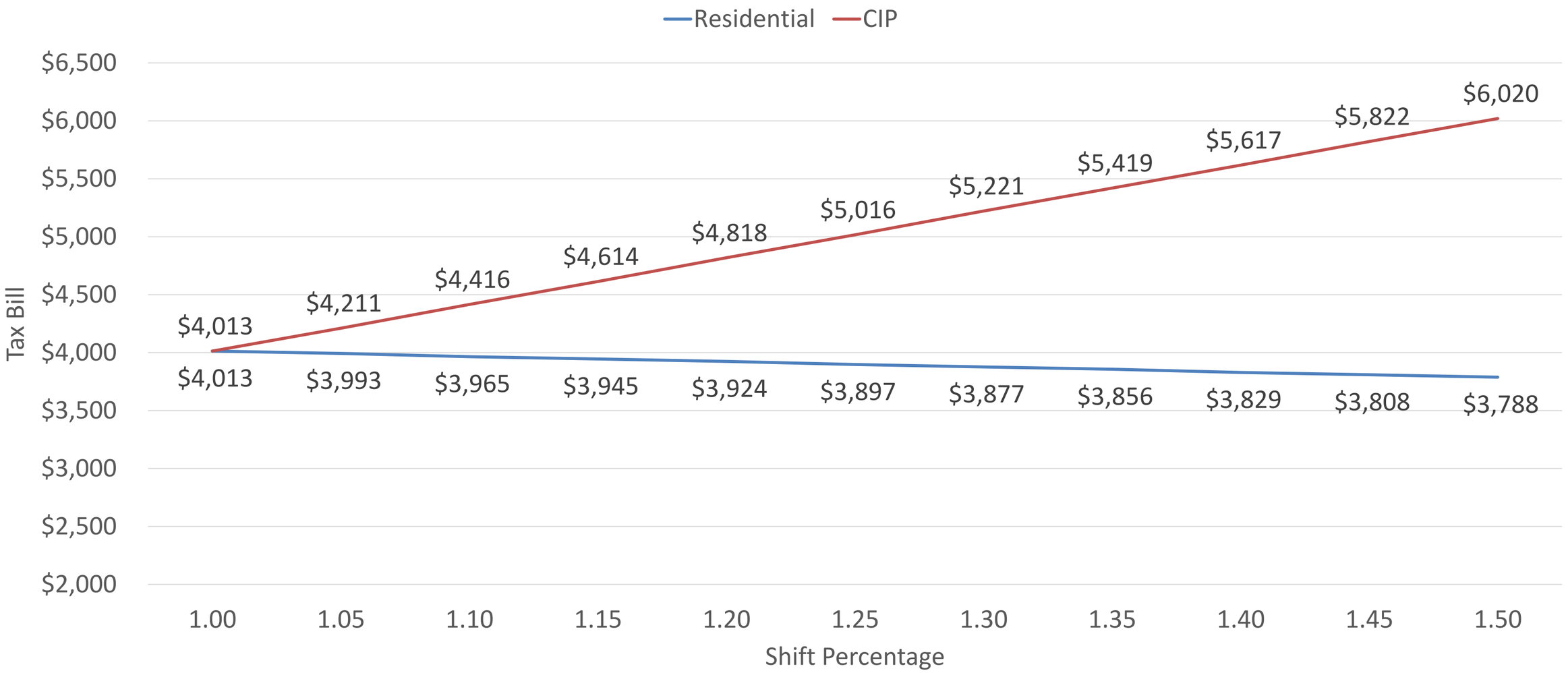
Pushing the MRF lever creates immediate divergence in the tax rates



As the residential rate inches downward, the commercial rate accelerates upward to maintain the total $161.2M levy.

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Impact on Tax Bill Using the FY27 Median Residential Assessed Value of $682,500



Lever 2: The Residential Exemption filters and protects primary, year-round residents



Caught in the Filter (Shielded) - Primary Residences owned by Jan 1, 2026.

Passing Through (Unshielded) - Vacation Homes, Apartment Complexes, Non-Owner Occupied. Subject to Higher Base Rate.

The Mechanic:
Town Council can authorize up to a 35% exemption (Barnstable currently provides 30%).

The Impact:
The total residential tax levy ($144.7M) does not change. This option **simply redistributes that exact weight away from primary residents and onto secondary/vacation homeowners and higher valued homes.**

No impact on the CIP rate.
No public hearing required.

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How the 30% Exemption translates into $2.84 billion in shielded property value

Step 1: Find the Average

Total Residential Value ($24.6B) ÷ Total Parcels (25,729) = **$956,821** (Average Residential Value).

Step 2: Apply the Percentage

$956,821 × 30% Exemption = **$287,046** (The exact dollar amount deducted from every qualified home's assessed value).

Step 3: Calculate Total Shielded Value

$287,046 × 9,918 Eligible Parcels = **$2,846,922,228** (Total value removed from taxation).

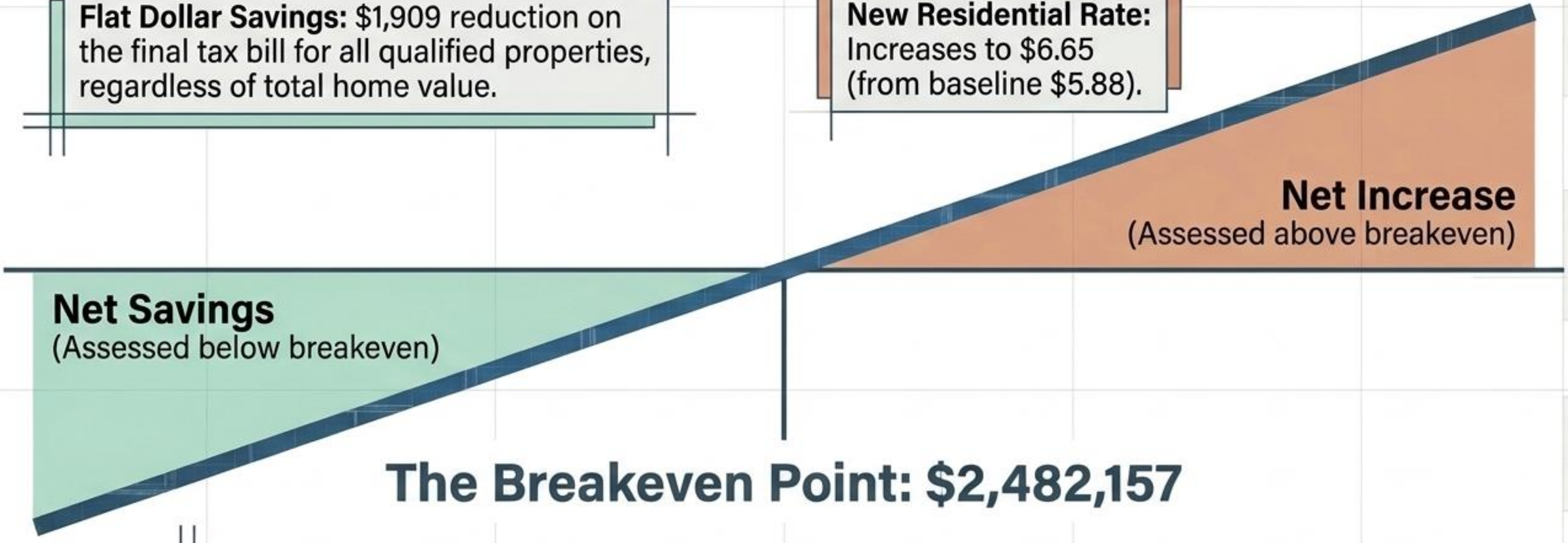
Because nearly $2.85 billion in value is shielded, the town must apply a mathematically higher tax rate to the remaining unshielded value to successfully collect the **$144.7M** residential levy.

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Maintaining a 30% exemption yields $1,909 in savings for qualifying homes

Flat Dollar Savings: $1,909 reduction on the final tax bill for all qualified properties, regardless of total home value.

New Residential Rate: Increases to $6.65 (from baseline $5.88).

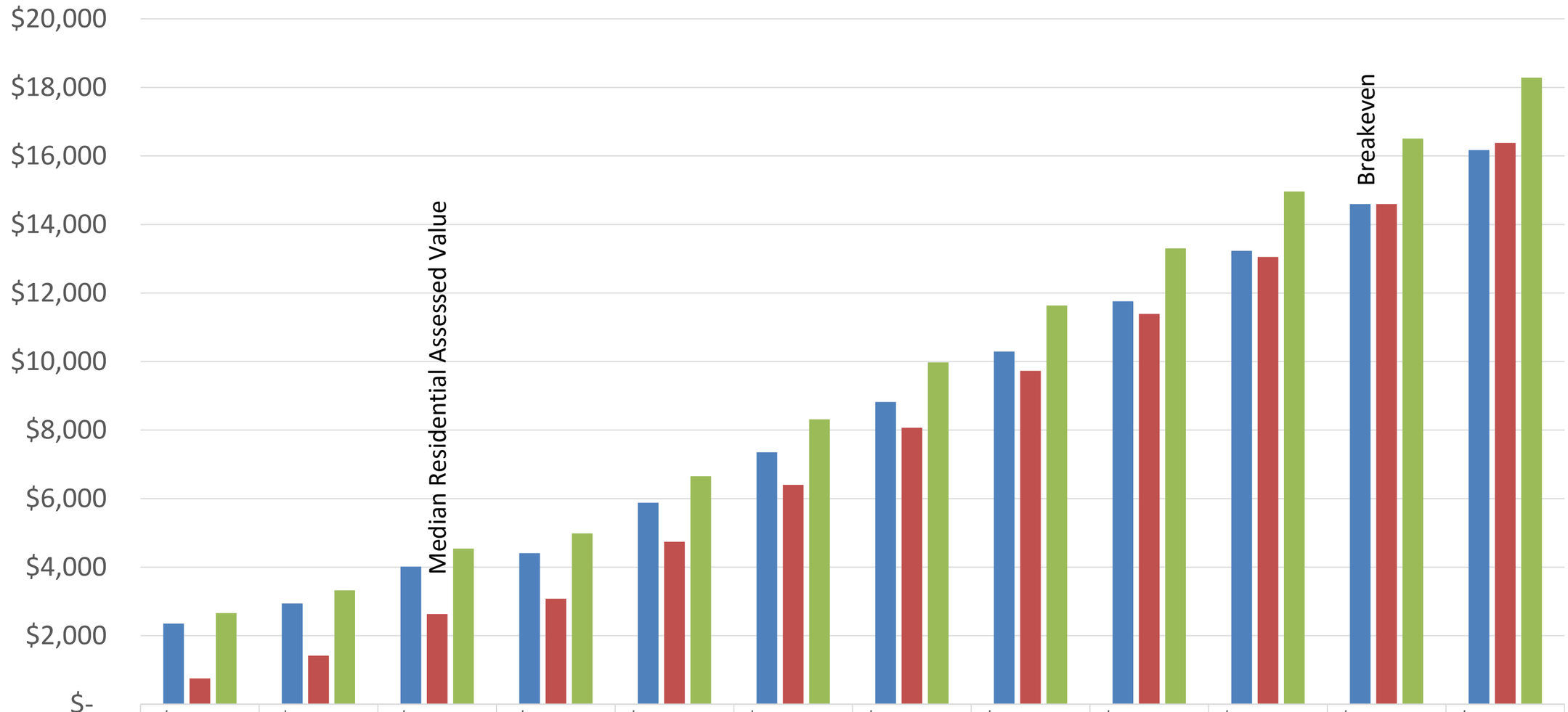


The Breakeven Point: $2,482,157

If a primary residence is assessed below the breakeven number, the final tax bill goes down despite the rate increase. If assessed above this number, the bill goes up.

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Example Tax Bill Impacts Maintaining a 30% Residential Exemption

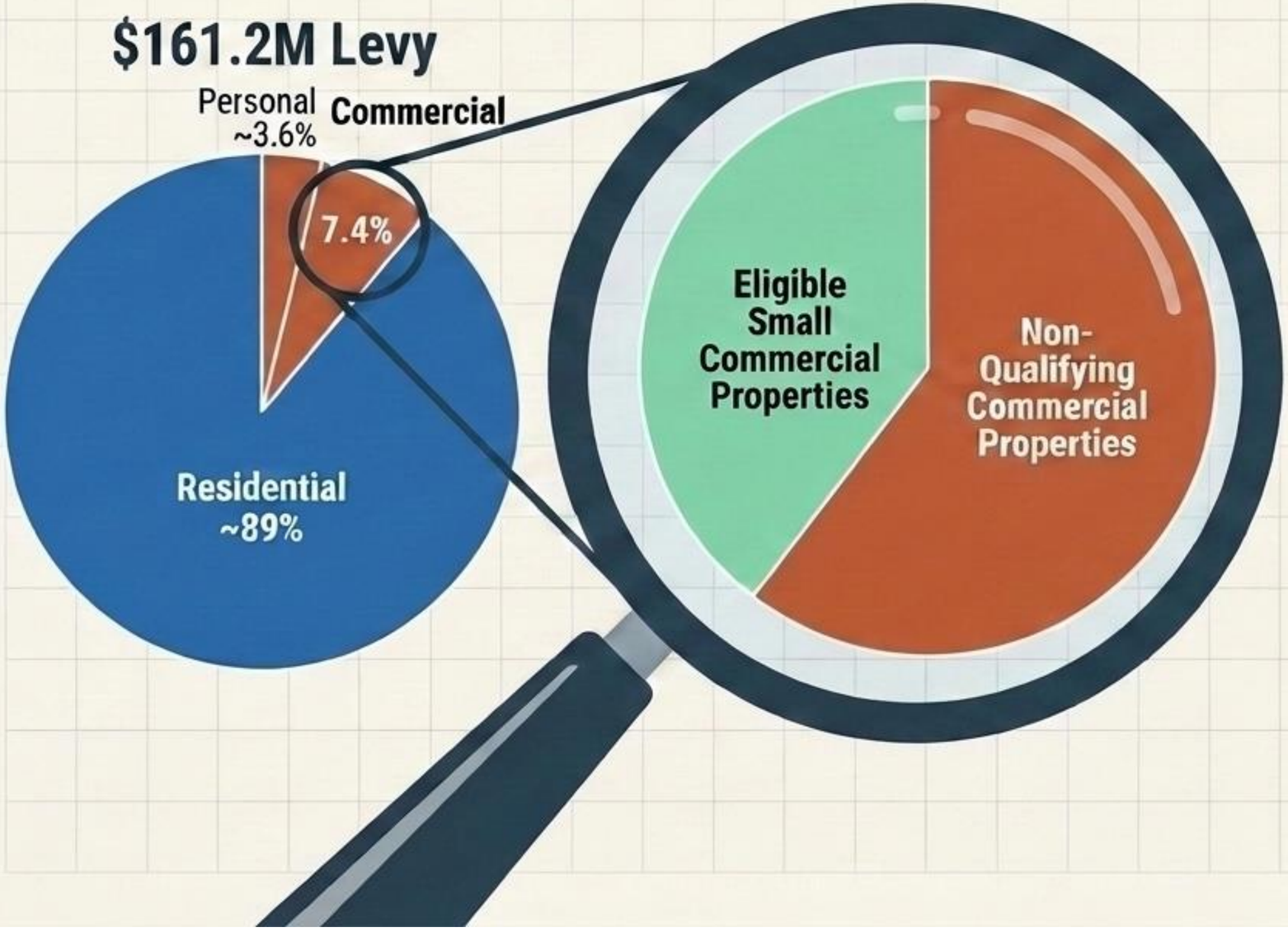


	$400,000	$500,000	$682,500	$750,000	$1,000,000	$1,250,000	$1,500,000	$1,750,000	$2,000,000	$2,250,000	$2,482,157	$2,750,000
No Exemption For All	$2,352	$2,940	$4,013	$4,410	$5,880	$7,350	$8,820	$10,290	$11,760	$13,230	$14,595	$16,170
30% Exemption/Qualifying	$751	$1,416	$2,630	$3,079	$4,741	$6,404	$8,066	$9,729	$11,391	$13,054	$14,597	$16,379
30% Exemption/Non-Qualifying	$2,660	$3,325	$4,539	$4,988	$6,650	$8,313	$9,975	$11,638	$13,300	$14,963	$16,506	$18,288

Impact on Tax Bill for the Median Assessed Residential Value with a Change in Residential Exemption Percentage

Residential Exemption Percentage	30%	31%	32%	33%	34%	35%
Value of exemption	$287,046	$296,615	$306,183	$315,751	$325,319	$334,887
Eligible parcels	9918	9918	9918	9918	9918	9918
Value exempted	$2,846,922,228	$2,941,827,570	$3,036,722,994	$3,131,618,418	$3,226,513,842	$3,321,409,266
FY27 Taxable value after exemption	$21,771,115,807	$21,676,210,465	$21,581,315,041	$21,486,419,617	$21,391,524,193	$21,296,628,769
FY27 Residential tax levy - Factor of 1	$144,777,920	$144,777,920	$144,777,920	$144,777,920	$144,777,920	$144,777,920
Tax Rate	$6.65	$6.68	$6.71	$6.74	$6.77	$6.80
Residential value to analyze	**$682,500**	Select value from drop down list. Median is $682,500 and breakeven is $2,482,157.				
Qualifying amount subject to tax	$395,454	$385,885	$376,317	$366,749	$357,181	$347,613
Tax bill	$ 2,630	$ 2,577	$ 2,525	$ 2,471	$ 2,417	$ 2,363
Quarterly Savings over 30% exemption		$ (13.10)	$ (26.31)	$ (39.64)	$ (53.09)	$ (66.66)
Non qualifying amount subject to tax	$682,500	$682,500	$682,500	$682,500	$682,500	$682,500
Tax Bill	$ 4,539	$ 4,558	$ 4,579	$ 4,599	$ 4,619	$ 4,640
Quarterly Additional tax		$ 4.97	$ 9.98	$ 15.03	$ 20.13	$ 25.28

Lever 3: The Small Commercial Exemption isolates and relieves eligible commercial properties



☑	The Mechanic: Town Council can authorize up to a 10% exemption for qualifying commercial properties.
☑	Strict Eligibility Requirements: - Average annual employment of no more than 10 during calendar year 2024. - Property valuation of less than $1 million. - Occupied as of January 1, 2026.
☑	246 eligible properties with a value of $123.5M

No impact on Residential or Personal property. No public hearing required.

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Eligible small commercial properties see modest savings, offset by nominal increases for larger properties

Note that the Commercial base rate shifts slightly from $5.88 to $5.91 to accommodate the exemption.

Qualifying Properties (10% Exemption Applied)	Non-Qualifying Properties (Higher Base Rate)
Assessed Value: $250,000 | Tax Bill: $1,330 | **Savings: $140**	
Assessed Value: $500,000 | Tax Bill: $2,660 | **Savings: $281**	
Assessed Value: $900,000 | Tax Bill: $4,787 | **Savings: $505**	
(The $1M Eligibility Cutoff)	
	Assessed Value: $1,000,000 | Tax Bill: $5,910 | **Cost: -$30**
	Assessed Value: $5,000,000 | Tax Bill: $29,550 | **Cost: -$150**

Because the exemption maxes out at properties valued under $1M, the maximum possible savings for any single property is tightly capped, resulting in only minor rate increases for larger non-eligible properties.

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Master Diagnostic Matrix

	Minimum Residential Factor (MRF)	Residential Exemption (RE)	Small Commercial Exemption (SCE)
Shift Mechanism	Between classes.	Within Res class.	Within Com/Ind classes.
Who Benefits?	All Residents.	Primary Year-Round Residents (<$2.48M).	Small Commercial Property Owner (<10 employees, <$1M value).
Who Absorbs the Cost?	All Commercial/Industrial/ Personal.	Vacation Homes, Rentals, High-Value Homes.	Larger/Non-Qualifying Commercial properties.
Impact on Res Rate	Lowers.	Increases (to $6.65).	No Impact.
Impact on CIP Rate	Increases significantly.	No Impact.	Slight Increase (to $5.91).
Public Hearing?	Required.	Not Required.	Not Required.

Gemini Notebook

Three governing principles for FY 2027 tax rate deliberation

The $161,252,459 Total Levy

1. The Levy is a Fixed Weight.

The town must collect **exactly $161,252,459**. Utilizing these levers does **not** generate **new revenue** or cut the budget; it strictly reallocates who writes the check.

2. Exemption Requires Rebalancing.

Adopting the **Residential (30%)** or **Small Commercial (10%)** exemptions **mathematically** requires a **higher base rate** for the rest of that specific class to compensate for the shielded value.

3. Procedural Requirements Differ.

Shifting the burden across class lines (MRF) requires a formal **public hearing**, whereas exemptions within a class (RE, SCE) do not.

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