

Residential Exemption Overview

Town of Dennis –
Assessing Dept

What is the Residential Exemption?

- A property tax exemption for year-round owner-occupied residences.
 - Permitted under M.G.L. Chapter 59, Section 5C
 - Shifts part of tax burden from primary residences to seasonal/investment properties

How the Exemption Works

- Municipality sets exemption up to 35% of average residential value.
 - Applies only to primary residences (domicile).
 - Tax burden redistributed to non-owner-occupied properties.

Dennis Housing Snapshot

- Average Residential Value: \$758,192
 - Total number of Residential Parcels: 15,794
 - Seasonal Residences: 10,065 (64%)
 - Full-Time Residences: 5,729 (36%)

Examples from Other Municipalities

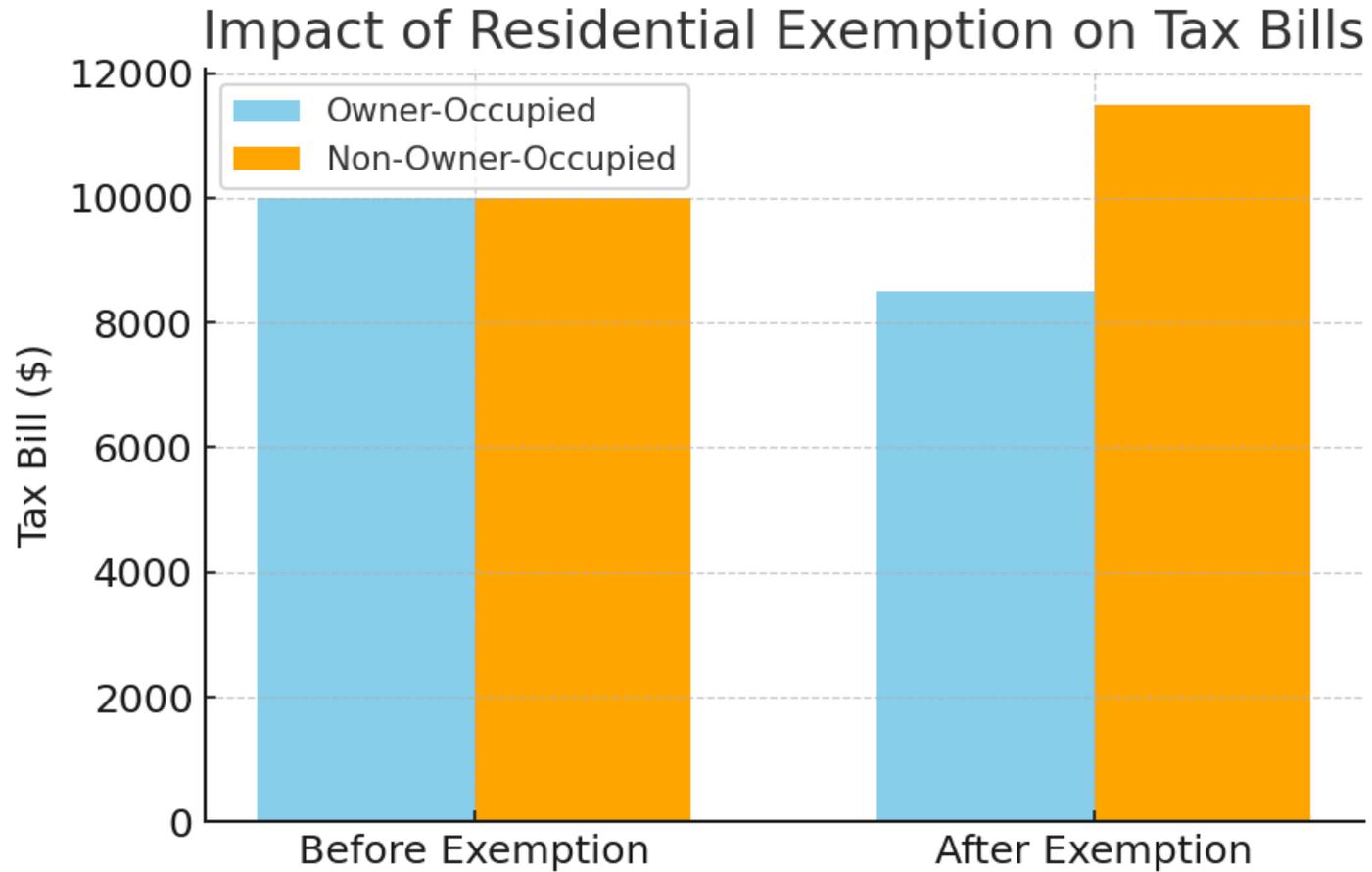
- Twenty-one communities in Massachusetts have adopted the residential exemption. The Cape & Islands towns listed below have adopted the residential exemption, the rate and split is indicated.

<u>COMMUNITY</u>	<u>RATE</u>	<u>SPLIT SEASONAL/FULL TIME</u>
– Barnstable	25%	52%/48%
– Provincetown	35%	80%/20%
– Wellfleet	33%	63%/37%
– Truro	35%	75%/25%
– Mashpee	20%	43%/57%
– Oak Bluffs	15%	
– Nantucket	25%	80%/20%
– West Tisbury	5%	62%/38%
– Eastham	3%	55%/45%
– Chatham	35%	65%/35%
– Dennis	0%	64%/36%

Why the Tax Rate Changes with the Residential Exemption

- The total tax levy stays the same, but taxable value decreases for some properties.
 - Exemption reduces taxable value of owner-occupied homes.
 - Total residential tax base decreases.
 - To raise the same revenue, the residential tax rate increases.
 - Non-owner-occupied homes pay more because they're taxed at a higher rate on full value.
 - Year-round residents pay less due to reduced assessed value.

Tax Impact Example



Assessment Report

Property Type	Parcels	Total Assessed Values	Average Value Per Parcel	Approved Tax Rate	Tax Levy by Residential Class
Single Family 101	11,753	10,100,295,710	859,380.22	4.33	43,734,280.42
Condominiums 102	2,155	883,474,050	409,964.76	4.33	3,825,442.64
Two Family 104	342	298,680,000	873,333.33	4.33	1,293,284.40
Three Family 105	17	16,152,500	950,147.06	4.33	69,940.33
Apartment 111-125	24	36,462,300	1,519,262.50	4.33	157,881.76
Vacant/ Accessory Land 130-132,106	1,099	179,074,960	162,943.55	4.33	775,394.58
Miscellaneous Residential 103,109	278	407,277,660	1,465,027.55	4.33	1,763,512.27
Mixed Use 012-043	126	53,464,319	424,319.99	4.33	231,500.50
Total	15,794	11,974,881,499.00	758,191.81		51,851,236.90

Exemption Calculations					
Exemption Percent	Residential Exemption Amount	Potential Value Reduction in Residential Properties	New Taxable Value	Estimated New Residential Rate	2025 Residential Levy
10.00%	75,819.18	375,261,724.07	11,599,619,774.93	4.47	51,851,237

Estimated Impact on Residential Tax Bill			
Owner-Occupied Home Value	Tax Bill Without Exemption	Tax Bill With Exemption	Change in Tax Bill*
80,000.00	346.40	18.69	-327.71
470,000.00	2,035.10	1,761.99	-273.11
860,000.00	3,723.80	3,505.29	-218.51
1,250,000.00	5,412.50	5,248.59	-163.91
1,640,000.00	7,101.20	6,991.89	-109.31
2,030,000.00	8,789.90	8,735.19	-54.71
2,420,798.10	10,482.06	10,482.06	.00
2,810,000.00	12,167.30	12,221.79	54.49
3,200,000.00	13,856.00	13,965.09	109.09
3,590,000.00	15,544.70	15,708.39	163.69
3,980,000.00	17,233.40	17,451.69	218.29
4,370,000.00	18,922.10	19,194.99	272.89
4,760,000.00	20,610.80	20,938.29	327.49
5,150,000.00	22,299.50	22,681.59	382.09

Exemption Calculations

Exemption Percent	Residential Exemption Amount	Potential Value Reduction in Residential Properties	New Taxable Value	Estimated New Residential Rate	2025 Residential Levy
20.00%	151,638.36	750,523,448.13	11,224,358,050.87	4.62	51,851,237

Estimated Impact on Residential Tax Bill

Owner-Occupied Home Value	Tax Bill Without Exemption	Tax Bill With Exemption	Change in Tax Bill*
160,000.00	692.80	38.63	-654.17
520,000.00	2,251.60	1,701.83	-549.77
900,000.00	3,897.00	3,457.43	-439.57
1,280,000.00	5,542.40	5,213.03	-329.37
1,660,000.00	7,187.80	6,968.63	-219.17
2,040,000.00	8,833.20	8,724.23	-108.97
2,415,755.94	10,460.22	10,460.22	.00
2,790,000.00	12,080.70	12,189.23	108.53
3,170,000.00	13,726.10	13,944.83	218.73
3,550,000.00	15,371.50	15,700.43	328.93
3,930,000.00	17,016.90	17,456.03	439.13
4,310,000.00	18,662.30	19,211.63	549.33
4,690,000.00	20,307.70	20,967.23	659.53
5,070,000.00	21,953.10	22,722.83	769.73

Exemption Calculations

Exemption Percent	Residential Exemption Amount	Potential Value Reduction in Residential Properties	New Taxable Value	Estimated New Residential Rate	2025 Residential Levy
35.00%	265,367.13	1,313,416,034.24	10,661,465,464.76	4.86	51,851,237

Estimated Impact on Residential Tax Bill

Owner-Occupied Home Value	Tax Bill Without Exemption	Tax Bill With Exemption	Change in Tax Bill*
270,000.00	1,169.10	22.52	-1,146.58
630,000.00	2,727.90	1,772.12	-955.78
990,000.00	4,286.70	3,521.72	-764.98
1,350,000.00	5,845.50	5,271.32	-574.18
1,710,000.00	7,404.30	7,020.92	-383.38
2,070,000.00	8,963.10	8,770.52	-192.58
2,433,366.51	10,536.48	10,536.48	.00
2,790,000.00	12,080.70	12,269.72	189.02
3,150,000.00	13,639.50	14,019.32	379.82
3,510,000.00	15,198.30	15,768.92	570.62
3,870,000.00	16,757.10	17,518.52	761.42
4,230,000.00	18,315.90	19,268.12	952.22
4,590,000.00	19,874.70	21,017.72	1,143.02
4,950,000.00	21,433.50	22,767.32	1,333.82

AFTER 10% Residential Exemption

Average Full Time Resident Value	Tax without Exemption @ \$4.33/\$1,000	Tax Rate	Residential Exemption Rate	Resident Tax	Decrease in Tax Bill	Non Resident Tax	Increase in Tax Bill
\$758,192.00	\$3,282.97	\$4.47	10%	\$3,050.20	(232.76)	\$3,389.12	\$106.15
\$758,192.00	\$3,282.97	\$4.62	20%	\$2,808.28	(474.69)	\$3,502.85	\$219.88
\$758,192.00	\$3,282.97	\$4.70	25%	\$2,672.63	(610.34)	\$3,563.50	\$280.53
\$758,192.00	\$3,282.97	\$4.86	35%	\$2,395.13	(887.84)	\$3,684.81	\$401.84

Summary

- The residential exemption provides tax relief to full-time residences.
- This is a local option in Massachusetts that allows qualifying communities to shift a portion of the property tax burden away from year-round, owner-occupied residences. It works by exempting a set dollar amount — up to 35% of the average residential value — from the assessed value of each qualifying home, thereby reducing the tax bill for full-time residents. To maintain the town's overall tax levy, the residential tax rate increases, which often results in higher taxes for second homes, seasonal properties, and rentals. The exemption does not affect commercial or industrial properties, and each city or town must vote to adopt it annually.

ADDITIONAL RESOURCES:

MA communities with a residential exemption:

<https://dls-gw.dor.state.ma.us/reports/rdpage.aspx?rdreport=localoptions.localoptions>

DLS Residential Exemption Calculator:

<https://dls-gw.dor.state.ma.us/reports/rdPage.aspx?rdReport=Analysis.ResExemptionCalc>

DLS YouTube Video related to Residential Exemption:

<https://dls-gw.dor.state.ma.us/reports/rdPage.aspx?rdReport=Analysis.ResExemptionCalc>