

Abatement Applications Continue Long-Term Decline

The caseload of open appeals of Boston values before the state ATB has also decreased

Applications for property tax abatements in Boston have continued a downward trend by decreasing to 2,349 in FY13, a reduction of 38.1% over the three years from FY10, both full revaluation years. The ongoing trend of declining abatement applications and appeals to the state Appellate Tax Board (ATB) reflects the City's effort to respond effectively to the changing real estate market and adjust values accordingly but not aggressively, and to its success in defending its assessments before the ATB and in the courts.

Even though business value increased by 3.5% during these three years, commercial abatement applications decreased by 34.6%. Residential values increased by 6.9% while residential abatement applications decreased by 40% during this time.

Commercial abatement filings dropped to 879 in FY13, the lowest number in the past 25 years. The 1,470 residential applications filed in FY13

are the lowest count of applications filed in a revaluation year by 658. Of the residential filings in FY13, condominium owners represented the largest share at 52.3%, followed by single-family owners at 23.7% and 2&3-family owners at 17.8%.

Overlay Reserve -The decrease in abatement applications has contributed to the City being able to reduce the percent the overlay reserve for abatements represented of the gross levy from 3.7% in FY07 to 2.4% in FY13.

Open ATB Appeals-The caseload of open property value appeals before the state Appellate Tax Board (ATB) also has decreased significantly over the past three years. Open cases in full revaluation years have decreased from 995 in 2010 to 336 in 2012, a cut of 66.2%. Combined efforts of the Assessing Department and ATB to resolve cases have led to this continued decline.

Abatement Application History, FY92 - FY13

