Tax Rates Subject Guide

By the IAAO Library

Real property tax burdens are a function of residential real estate values, the ratio of assessed value to market value, and the tax rate.

In the 50-state property tax report done by the Lincoln Institute:

- Detroit, Michigan had the highest effective property tax rate at 3.82%.
- The lowest were Honolulu, Hawaii at 0.30% and Boston, Massachusetts at 0.61%.
- The average effective tax rate was 1.50%.

Taken from Lincoln Institute of Land Policy and Minnesota Center for Fiscal Excellence, June 2017. 50-State property tax comparison study: for taxes paid in 2016.

According to the Council on State Taxation (COST), business property taxes increased 2.8% in FY2015, a gain of $7.0 billion. Property taxes remain by far the largest state and local tax paid by businesses, accounting for 36.5% of the total. (Phillips, Sallee, & Peak, 2016 see below)

Articles in LibraryLink Database

(login to LibraryLink to download the fulltext or to request a copy.)


The effects of changes in property tax rates and school spending on residential and business property value growth, by Sung Hoon Kang, Mark Skidmore, & Laura Reese. Real Estate Economics, Summer 2015, 43 (2), 300-333.


Online Reports and Articles

50-State property tax comparison study: for taxes paid in 2016, by Lincoln Institute of Land Policy and Minnesota Center for Fiscal Excellence, June 2017. This is the only existing study
that calculates effective tax rates in all 50 states. The full report can be downloaded from the Lincoln Institute's web site free of charge.

**2018 State business tax climate index**, by the Tax Foundation. Includes a property tax index rank for all 50 states.


**The history of rates in Hong Kong: a brief review of 170 years of rating in Hong Kong**, by Mimi Brown. Hong Kong: Rating and Valuation Department, 2013.


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**Web Sites**

**Significant Features of the Property Tax database** - allows searching by all states and year. Created by the Lincoln Institute of Land Policy and the George Washington Institute of Public Policy.