

Tax Rates Subject Guide

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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.)

Causes of differences in effective property tax rates, by Jennifer Gravelle. National Tax Association 104th Annual Conference Proceedings, 2011, 71-82.

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.

Property taxes on businesses in the United States: a fifty-state comparison, by Lynn Edward Reed. *National Tax Association*, 2005, 424-433.

Residential property taxes in the United States, by Benjamin H. Harris & Brian David Moore. Urban-Brookings Tax Policy Center, 2013.

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.

[**Estimated effective property tax rates 2000-2009: selected municipalities in northeastern Illinois**](#), by The Civic Federation. The Civic Federation Research Report, September 2011.

[**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.

[**Property tax on owner-occupied housing by county 2005-2009, ranked by property taxes paid**](#), by the Tax Foundation, 2010.

[**Tax rates and tax burdens in the District of Columbia: a nationwide comparison**](#), by Government of the District of Columbia, Department of Finance and Revenue, Office of Economic and Tax Policy. Reports available from 1997-2016.

[**Total state and local business taxes: state-by-state estimates for fiscal year 2015**](#), by Andrew Phillips, Caroline Sallee, & Charlotte Peak. Washington D.C.: Ernst & Young, December 2016.

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.