

**Town of Braintree
Tax Rate Classification Hearing**

**December 2, 2025
Town Council**





The purpose of the Tax Rate Classification Hearing is to apportion the tax levy to be raised amongst residential and commercial classes of property (MGL Chp 40, Sec 56).

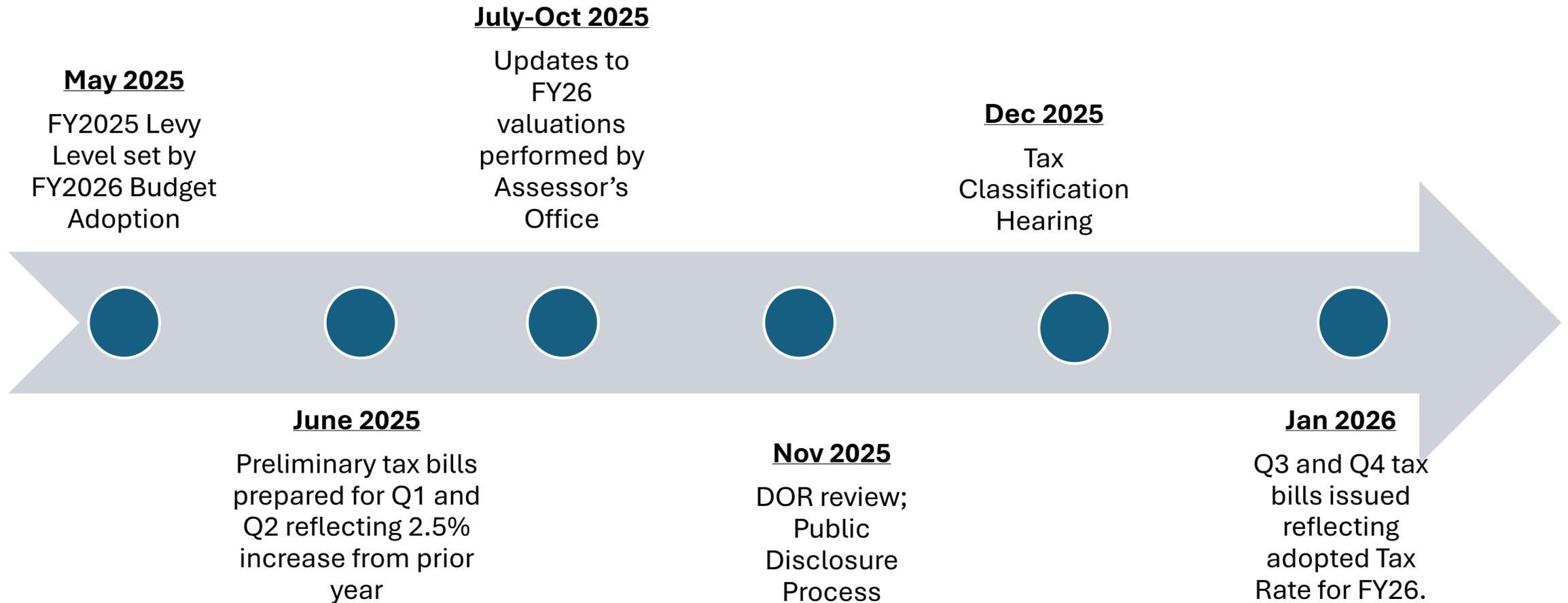


State law provides that a community may “shift” a portion of the annual tax levy from the residential property class to the commercial class (known as the “residential factor”).



Since the 1980s Braintree has annually elected to adopt a residential shift, lowering the residential tax rates below where they would otherwise be if allocated proportionate to valuations.

Setting the Tax Levy



FY26 Budgeted Tax Levy

	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026 Budget</u>	<u>FY2026 Current</u>
Prior Year Tax Limit:	\$ 105,841,127	\$ 109,082,490	\$ 120,867,065	\$ 120,867,065
2.5% Increase:	\$ 2,646,028	\$ 2,727,062	\$ 3,021,677	\$ 3,021,677
New Growth:	\$ 595,435	\$ 1,057,513	\$ 800,000	\$ 1,128,544
Override:	\$ -	\$ 8,000,000	\$ -	\$ -
Debt Exclusion Debt Service:	\$ 2,664,529	\$ 2,659,099	\$ 2,762,245	\$ 2,762,245
Fiscal Year Tax Limit:	\$ 111,747,119	\$ 123,526,164	\$ 127,450,987	\$ 127,779,531
Annual Change from Prior Year:		10.5%	3.2%	3.4%

➤ New Growth at \$328,000 above budgeted estimate.



Valuations

	2025		2026		2026 v 2025 # / \$		2026 v 2025 %	
	Units (1)	Value	Units (1)	Value	Units (1)	Value	Units (1)	Value
Residential								
Single Family	9,111	\$ 6,416,758,000	9,109	\$ 6,614,979,100	(2)	\$ 198,221,100	0.0%	3.1%
Condominium	1,842	858,188,100	1,847	875,391,800	5	\$ 17,203,700	0.3%	2.0%
Misc Residential	30	30,052,710	30	36,259,800	-	\$ 6,207,090	0.0%	20.7%
Two Family	475	363,601,560	475	378,966,500	-	\$ 15,364,940	0.0%	4.2%
Three Family	70	71,106,700	68	69,838,500	(2)	\$ (1,268,200)	-2.9%	-1.8%
Multi-Family	485	473,651,800	488	495,401,400	3	\$ 21,749,600	0.6%	4.6%
Multi-Use Residential	65	29,039,570	64	30,823,728	(1)	\$ 1,784,158	-1.5%	6.1%
sub-total	12,078	\$ 8,242,398,440	12,081	\$ 8,501,660,828	3	\$ 259,262,388	0.0%	3.1%
Commercial / Industrial / Personal Property (CIP)								
Commercial	535	\$ 1,445,745,802	533	\$ 1,476,649,418	(2)	\$ 33,718,812	-0.4%	2.1%
Industrial	198	337,486,420	198	337,120,040	-	\$ 30,234,360	0.0%	-0.1%
Personal Property	---	159,254,040	---	165,376,580	---	\$ 20,634,450	---	3.8%
sub-total	733	\$ 1,942,486,262	731	\$ 1,979,146,038	(2)	\$ 84,587,622	-0.3%	1.9%
All Taxable Property(2)	12,681	\$ 10,184,884,702	12,685	\$ 10,480,806,866	1	\$ 343,850,010	0.0%	2.9%
Total Levy Ceiling		\$ 254,622,118		\$ 262,020,172				
(1) Per annual reporting through MA Dept. of Revenue, "Units" refers to individual parcels.								
(2) All Taxable Property parcel counts may not sum since they are reduced to not double count multi-use parcels.								



Residential Factor Shift

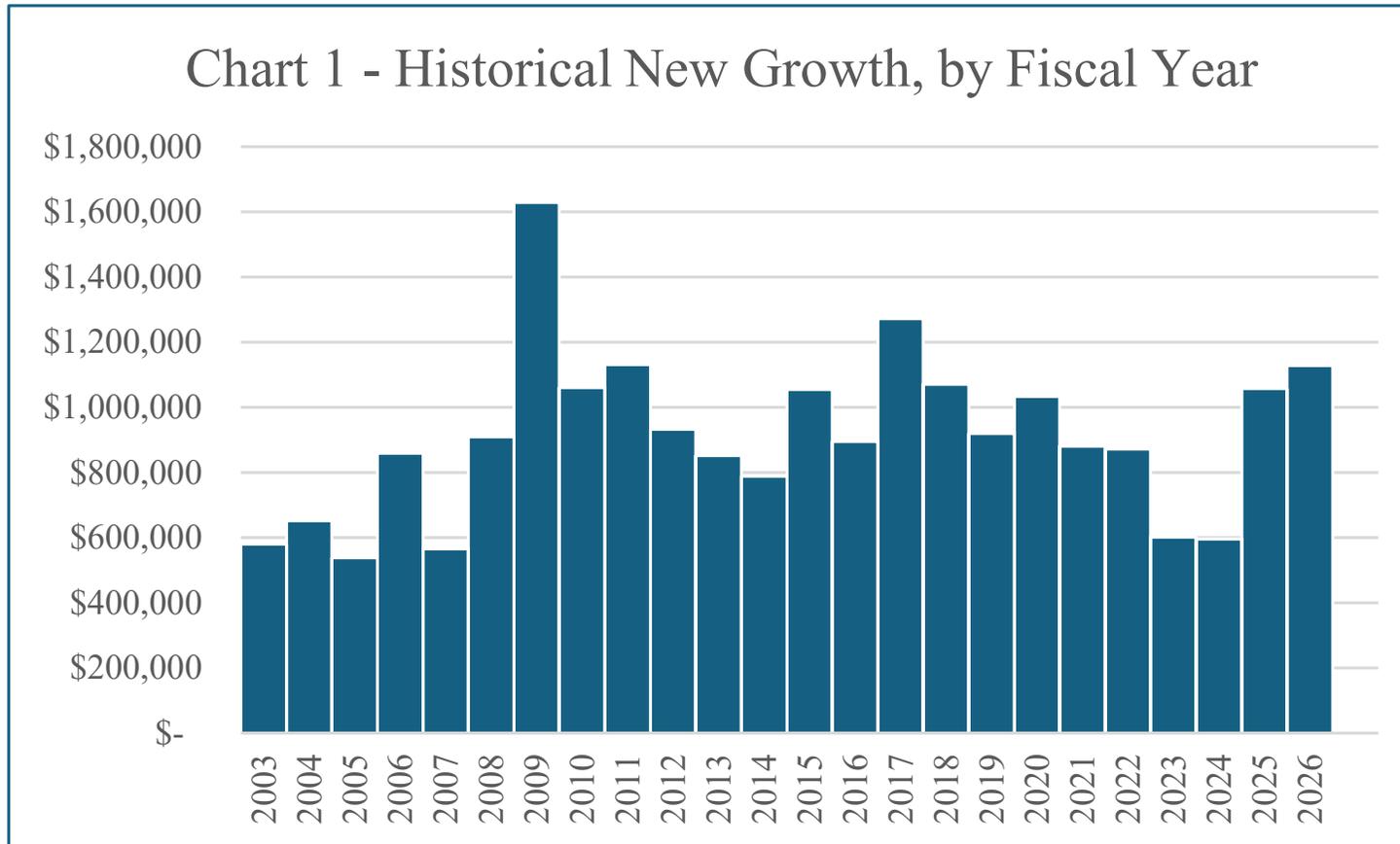
<u>Class</u>		<u>FY2026 Value</u>	<u>% Value</u>	<u>Shift</u>	<u>% Tax</u>
Residential	\$	8,501,660,828	81.12%	---	66.95%
Commercial	\$	1,476,649,418	14.09%	175%	24.66%
Industrial	\$	337,120,040	3.22%	175%	5.63%
Personal	\$	165,376,580	1.58%	175%	2.76%
Total	\$	10,480,806,866	100.00%	0	100.00%

Residential factor shift provides for an **17% reduction (14 percentage points)** in the tax burden that would otherwise be assigned the RES classification.

By adopting the 175% Residential Factor the average single-family household would see **annual savings in its FY26 tax bill of \$1,545** (\$7,308 vs. \$8,852).



FY26 New Growth



\$1,128,544 in FY26 represents second year in a row since FY20 where New Growth did not decline from prior year.

Estimated New Growth compares to \$800,000 budgeted estimate.

Source: MA Dept. of Revenue

FY2026 Tax Rate, incl. Small Business Commercial Exemption

	Valuation	% Value	Res Shift	Levy Burden	Tax Rate
Residential	\$ 8,501,660,828	81.12%	66.95%	\$ 85,553,286	\$ 10.06
Commercial / Industrial	\$ 1,813,769,458	17.31%	30.28%	\$ 38,697,838	\$ 21.40
Personal Property	\$ 165,376,580	1.58%	2.76%	\$ 3,528,407	\$ 21.34
Total	\$ 10,480,806,866	100.00%	100.00%	\$ 127,779,531	

Single Family Tax=> \$7,307.87

- Tax rates set after implementing residential factor and Small Business Commercial Exemption, which results in a \$0.06 increase in Commercial / Industrial to offset cost of Exemption for eligible businesses.
- An estimated 86 businesses would be eligible for the Small Business program in FY26, exempting \$5.4 million in property value from taxation saving them roughly \$116,000 in taxes.

Single Family Home Tax Impact

	FY2025	FY2026	\$Change	%Change
Average Value	\$ 704,287	\$ 726,203	\$ 21,916	3.1%
Tax Rate	\$ 9.98	\$ 10.06	\$ 0.08	0.8%
Tax*	\$ 7,028.78	\$ 7,307.87	\$ 279.08	4.0%
*Numbers may not sum due to rounding.				

- Single Family households represent 72% of taxable property units in FY25 and 63% of taxable value.

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Appendix Slides



Motions for Consideration

Motion #1: To Apply the Tax Rate Classification Shift

MOTION: Be it ordained that the Town of Braintree adopt the recommendation of the Mayor and the Board of Assessors to approve the Classification Tax Rate Shift of 175% to be applied to commercial, industrial and personal property for Fiscal Year 2026.

Motion #2: Small Business Exemption

MOTION: To approve the “Small Business Exemption” as recommended by the Mayor and the Board of Assessors in a memorandum to the Town Council dated November 13, 2025, and as filed with the Office of the Town Clerk for Fiscal Year 2026.



Motions for Consideration

Motion #3: The Open Space Discount

MOTION: To continue to adopt the recommendation of the Mayor and the Board of Assessors, as outlined in a memorandum to the Town Council dated November 13, 2025, and as filed with the Office of the Town Clerk to decline the adoption of the Open Space discount for Fiscal Year 2026.

Motion #4: The Residential Exemption

MOTION: To continue to adopt the recommendation of the Mayor and the Board of Assessors, as outlined in a memorandum to the Town Council dated November 13, 2025, and as filed with the Office of the Town Clerk to decline the adoption of the Residential Exemption for Fiscal Year 2026.



FY25 Comparisons

Annual Single Family Tax Bill		
FY2025:	\$	7,028.78
FY2026:	\$	7,307.87
\$Change*:	\$	279.08
Change Factors:		Contribution to Annual Increase
Valuation	\$	218.72 78%
Rate	\$	60.37 22%
\$Change*:	\$	279.08

*Numbers may not sum due to rounding.

- For single family households the annual growth is determined by growth in valuation and increase in tax rates.

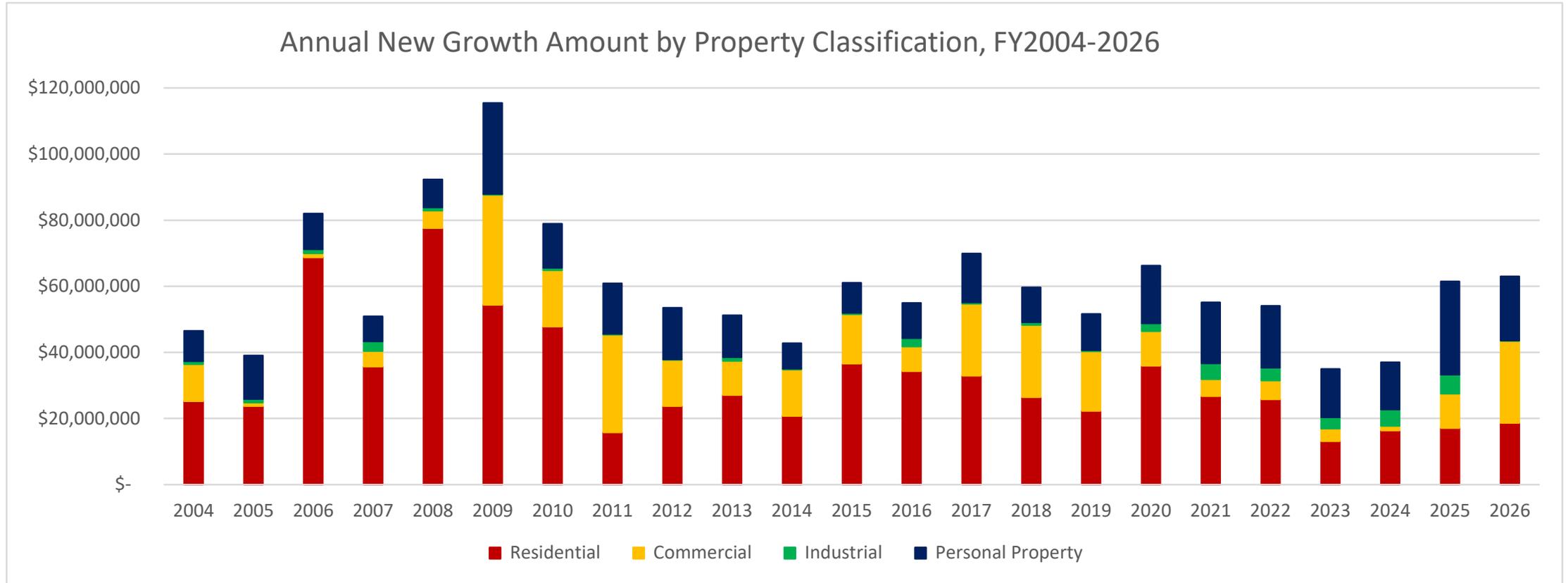
FY26 Tax Bills – Single Family Example

FY25 Tax	
Q1	\$1,535.40
Q2	\$1,535.40
Q3	\$1,978.99
Q4	\$1,978.99
total	\$7,028.78

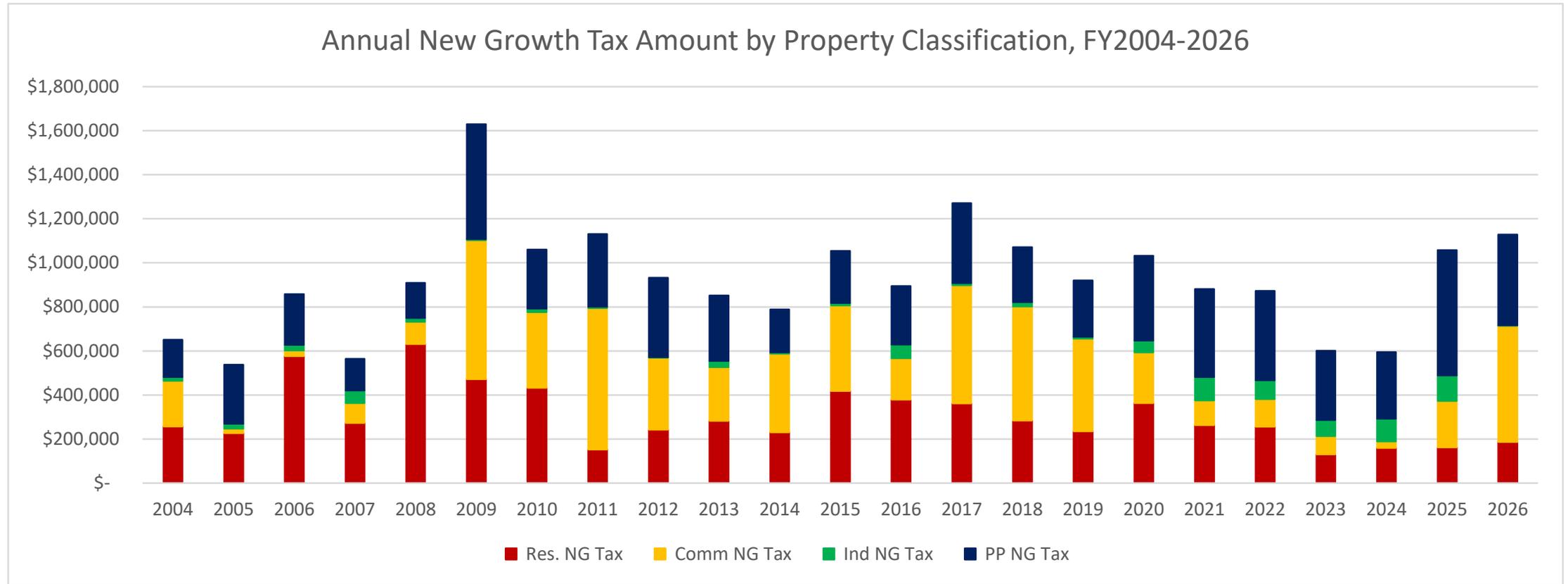
FY26 Tax	
Q1	\$1,801.13
Q2	\$1,801.13
Q3	\$1,852.81
Q4	\$1,852.81
total	\$7,307.87

- Under MGL (Chp. 59, Sec. 57C) Preliminary (Q1 and Q2) tax bills are set at prior-year tax plus 2.5% increase.
- Q3 and Q4 bills reflect changes from tax classification and updated valuations and rates.
- For illustration, taxes by quarter are shown by quarter for FY25 and FY26:
 - When annual taxes increase by greater than 2.5%, Q3 and Q4 tax bills must “catch up” for Q1 and Q2 bills each being lower than one quarter of the total year’s tax.
 - FY25 total tax (4 quarters) is 4.0% increase from prior year.
 - FY25 Q3 and Q4 bills represent:
 - 2.9% increase from FY25 Q1/Q2
 - -6.4% decrease from FY24 Q3/Q4

New Growth History



New Growth History



Residential growing as % of Town Value

