Hollis's Property Tax Survey, 2006

In 2006, the town of Hollis released a report, "The Cost of Growth,"* an examination of the effect of recent population growth on its property taxes and costs to the town. While I was serving as a state representative for Peterborough between 2007 and 2010, I was told about this survey by state Senator James Squires, then serving the district of which Hollis was a part. He was also the chair of the town committee that conducted the survey.

The committee had surveyed residents of the town, with more than half of all households responding to the key question: What portion of your household income goes to paying property taxes? The whole report is still posted on the Hollis town website.

A short chart on page 7 shows the results. The largest group, 465 households, paid between 5 and 10% of household income in property taxes. The median was at about 8%.

Below that bracket, 185 paid between 1 and 4.9%; above, 270 paid 10 to 15%.

In total, though, 490 households paid more than 10% of income in property taxes.

But the extremes are the most telling: 25 households paid less than 1%, while 28 paid in excess of 35%.

Other key findings in the survey were that the longer residents had lived in their homes, and the older they were, the higher their portion of income went to property taxes.

I built a graph showing the statistics as a bar chart. (It is page 2 of this pdf.) I believe that if surveyed, the profile of the burden of property taxes on residents of any given town in NH would mirror the results in Hollis. That profile might shift somewhat depending on whether we're talking about a "rich" town or a "poor" town, but would essentially repeat across the state.

When we were trying to figure a way to do targeted aid in 2007-08 term, Hollis was always considered a "rich" town, and would have gotten no aid. But clearly there were Hollis residents who were grossly overtaxed.

You can decide to have big government or small government, but if the taxing structure that supports that government is unfair – taxing some citizens at excessive rates – you have bad government.

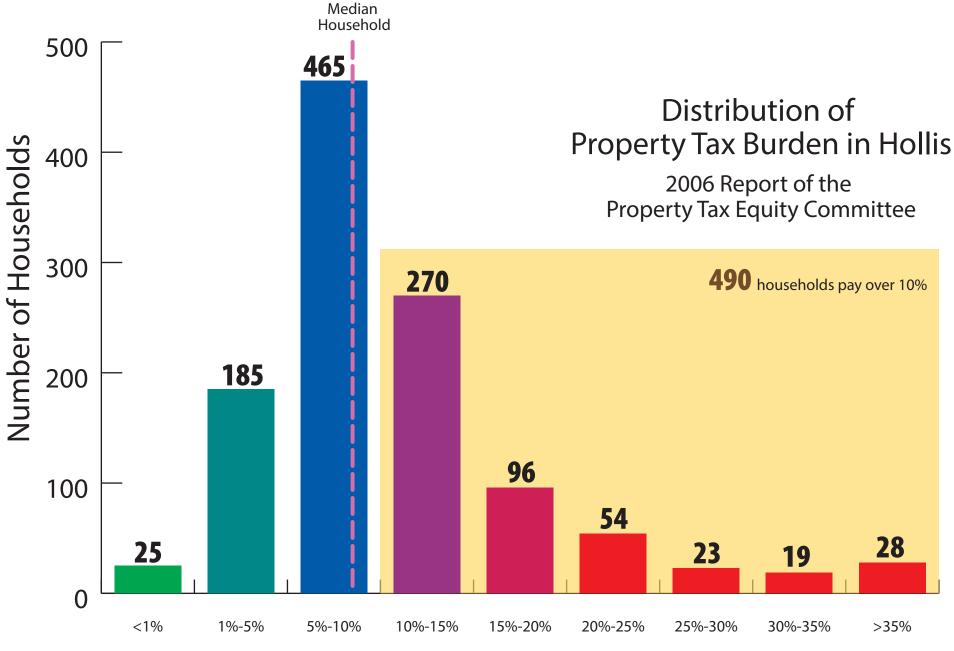
In the decade and more since this survey was taken, the property tax portion of state and local revenues collected in NH has risen from about 3/5 to nearly 2/3, due to cutting at the state level, and downshifting costs to towns and schools districts.

Over-reliance on local property taxes hardly seems like a fair way to tax. Especially for something at crucial as education.

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Attachment: Distribution of Property Tax Burden in Hollis

- * Available on their website: https://www.hollisnh.org/forms-documents/pages/reports
- * https://www.hollisnh.org/sites/g/files/vyhlif3271/f/uploads/the_cost_of_growth october_2006.pdf



Property taxes as a percentage of household income