Taxable Property Value Exploratory Research Study

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Disclaimer: This report is released to inform interested parties of research and to encourage discussion of work in progress. The views expressed are those of the author and not necessarily those of the U.S. Census Bureau.
The Taxable Property Value (TPV) Survey was

- An inventory of taxable property in the U.S.
- A collection of nationwide data on the value of taxable property
- A collection of nationwide data on the composition and distribution of land use, by type
State and Local Government Statistics at a Crossroads

• Recommendation 3-3: In view of the importance of consistent, comparable, objective data on property tax valuation… Governments Division should carry out a program of research and testing to explore conceptually sound and cost-effective means of collecting these data.
## Property Taxes

Total taxes collected by local governments in 2008: $548,764,528

(Numbers in thousands)

Breakout of select local taxes:

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount (in thousands)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$396,994,711</td>
<td>72.3%</td>
</tr>
<tr>
<td>Sales and gross receipts</td>
<td>$90,166,095</td>
<td>16.4%</td>
</tr>
<tr>
<td>Individual income</td>
<td>$26,254,751</td>
<td>4.8%</td>
</tr>
<tr>
<td>Corporate income</td>
<td>$7,050,511</td>
<td>1.3%</td>
</tr>
</tbody>
</table>
## Timeline of TPV at the Census Bureau

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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</table>
| 1850 | • statistics collected as part of Decennial Census  
      • limited to real and personal property  
      • measure of wealth |
| 1957-1982 | • survey consisted of property values, and property tax rate information on a national basis covering taxable property, and assessment/sales ratios |
| 1987 | • survey consisted of assessment values of property by counties and select cities and assessed taxable data by use class for selected local areas |
| 1992 | • survey scaled back even further, included only assessed values for local general property taxes; dropped after this production |
TPV Research Study

• Examine a means of developing a frame of the taxable property universe
• Explore the tax base and value of taxable property, by use class
• Research various other components of TPV
  – Effective rates
  – Assessment to sales ratios
  – Coefficients of dispersion, variation, other measures of variability and uniformity
Data Collection

• Examine options for data collection that meet statistical standards

• Evaluate availability and quality of data from various sources
  – Directly from tax assessing offices
  – Data files from third-party vendors
  – Data found on government web sites
National Tax Base

Explore creating a national property tax base to:

- Provide consistent nationwide data on
  - Taxable property value
  - Land use
  - Number of parcels
- Provide assessed value of taxable property inventory
Developing the Tax Base

• Research the development of the assessment jurisdiction universe

• Conduct a comparative study of existing sources to determine best methodology
  – Analysis of data files from third party vendors
  – Direct collection from tax assessing offices and recorder of deeds offices
  – Availability and usability of information found on assessment office web sites
Universal Use Class Schema

Explore a universal use class schema that will:

- Develop a summary of the composition and distribution of the property tax base
- Develop a standard classification system of property use on a consistent, nationwide basis
Measures to Explore

• Effective rate: a common base for comparing property tax burdens in different jurisdictions

• Assessment/Sales (A/S) ratio: indicator of assessment uniformity on a nationally consistent basis
  – Availability and quality of sales data
  – Availability and quality of sales data from non-disclosure states

• Various measures of variability and uniformity
Next Steps

• Develop assessment jurisdiction universe
• Develop universal use class system
• Complete research study on
  – Comparison of data from third party vendors, direct collection from assessing jurisdictions, and assessment jurisdictions web sites
  – Availability of data from non-disclosure states
• Establish measures and definitions
Next Steps, Continued

• Conduct literature review of national assessment/sales ratio standards
• Conduct studies to determine availability and quality of sales data
• Define sales transactions
• Determine if the measures fit current OMB and Census Bureau statistical standards
Questions?

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