



FY 2017 Recommended Budget Budget Question

Board Question #: 5

BUDGET QUESTION: How much does the average taxpayer pay per penny for personal property? (To be provided after the NADA values are run towards the end of February.)

RESPONSE: Staff advised at the February 9 meeting that this data would be most reliable and valuable if we were to wait until after the NADA values are run to provide a number. However, this question has been asked numerous times since that meeting, so staff is providing an estimated figure at this time. We will take the opportunity to update this response after the NADA values are run toward the end of February/beginning of March.

The average (mean) value of a vehicle at this time is \$5,088. That's based on 50% of the value before any assumption is made for NADA values. The budget assumes/estimates/projects a 9% decline in values resulting from the yet-to-be-run NADA values based on our NADA experiences over the past three years. Therefore, if we apply the assumed NADA impact to today's average, the average value can be estimated at \$4,630.

Given these assumptions, we estimate that the average taxpayer pays \$0.463 per penny on the personal property tax rate per vehicle owned.

Once we have the NADA values, we can run a comparison of 2016 and 2015 values of vehicles existing in both years. This data will combine all vehicles owned by a single taxpayer, and then we will be able to determine what the overall impact to the average taxpayer will be.

March 28 Update to Include Post-NADA Run Information:

Given the NADA run and other most recent data, the average (mean) value of a vehicle is \$4,790. Based on this, the average taxpayer pays \$0.479 per penny on the personal property tax rate per vehicle owned.