

## Property Taxes in Your Destination State

States tax real property in a variety of ways: some impose a rate or a millage—the amount of tax per thousand dollars of value—on the fair market value of the property, while others impose it on some percentage (the assessment ratio) of the market value, yielding an assessed value.

Some states have equalization requirements, ensuring uniformity across the state. Sometimes caps limit the degree to which one's property taxes can rise in a given year, and sometimes rate adjustments are mandated after assessments to ensure uniformity or maintenance of revenues. Abatements are often available to certain taxpayers, like veterans or senior citizens. And of course, property tax rates are set by political subdivisions at a variety of levels not only by cities and counties, but often also by school boards, fire departments, and utility commissions.

The table presented cuts through clutter and presents effective tax rates on owner-occupied housing. This is the average amount of residential property tax actually paid, expressed as a percentage of home value. Some states with high property taxes, like New Hampshire and Texas, rely heavily on property taxes in lieu of other major tax categories; others, like New Jersey and Illinois, impose high property taxes alongside high rates in the other major tax categories.

New Jersey has the highest effective rate at 2.38% and is followed closely by Illinois (2.32%), New Hampshire (2.15%) and Connecticut (1.98%). On the other end of the spectrum, Hawaii has the lowest effective rate at 0.28%, and is followed closely by Alabama (0.43%), Louisiana (0.51%), and Delaware (0.55%).

|             | <b>Effective Tax Rates on Owner-Occupied Housing</b> | <b>State Rank</b> |
|-------------|--|-------------------|
| Alabama     | 0.43%  | 49                |
| Alaska      | 1.18%  | 20                |
| Arizona     | 0.80%  | 36                |
| Arkansas    | 0.62%  | 42                |
| California  | 0.81%  | 34                |
| Colorado    | 0.61%  | 43                |
| Connecticut | 1.98%  | 4                 |
| Delaware    | 0.55%  | 47                |
| Florida     | 1.06%  | 25                |
| Georgia     | 0.95%  | 27                |

|                | <b>Effective Tax Rates on<br/>Owner-Occupied Housing</b> | <b>State Rank</b> |
|----------------|--|-------------------|
| Hawaii         | 0.28%  | 50                |
| Idaho          | 0.65%  | 39                |
| Illinois       | 2.32%  | 2                 |
| Indiana        | 0.86%  | 28                |
| Iowa           | 1.49%  | 14                |
| Kansas         | 1.39%  | 15                |
| Louisiana      | 0.51%  | 48                |
| Maine          | 1.28%  | 17                |
| Maryland       | 1.10%  | 22                |
| Massachusetts  | 1.21   | 18                |
| Michigan       | 1.78%  | 8                 |
| Minnesota      | 1.19%  | 19                |
| Mississippi    | 0.80%  | 35                |
| Missouri       | 1.02%  | 26                |
| Montana        | 0.86%  | 31                |
| Nebraska       | 1.84%  | 7                 |
| Nevada         | 0.86%  | 30                |
| New Hampshire  | 2.15%  | 3                 |
| New Jersey     | 2.38%  | 1                 |
| New Mexico     | 0.73%  | 40                |
| New York       | 1.64%  | 11                |
| North Carolina | 0.85%  | 33                |
| North Dakota   | 1.11%  | 21                |
| Ohio           | 1.55%  | 12                |
| Oklahoma       | 0.86%  | 29                |
| Oregon         | 1.09%  | 24                |

|                | <b>Effective Tax Rates on<br/>Owner-Occupied Housing</b> | <b>State Rank</b> |
|----------------|--|-------------------|
| Pennsylvania   | 1.54%  | 13                |
| Rhode Island   | 1.67%  | 10                |
| South Carolina | 0.57%  | 45                |
| South Dakota   | 1.32%  | 16                |
| Tennessee      | 0.75%  | 38                |
| Texas          | 1.90%  | 6                 |
| Utah           | 0.68%  | 41                |
| Vermont        | 1.71%  | 9                 |
| Virginia       | 0.78%  | 37                |
| Washington     | 1.09%  | 23                |
| West Virginia  | 0.59%  | 15                |
| Wisconsin      | 1.96%  | 5                 |
| Wyoming        | 0.61%  | 44                |

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