

COMPARISON OF SELECTED STATES' TAX RATES AND PROPERTY TAX RELIEF/INCENTIVE PROGRAMS

The schedule below provides a comparison of property and other taxes in North Dakota to other states. The other states were selected based on having a lower property tax per capita than North Dakota (see attached [appendix](#) from the Tax Department's 2010 State and Local Taxes report):

	2010 Population	Per Capita State and Local Property Taxes	Percentage of State Sales Tax	Percentage of Highest Local Sales Tax	Percentage of Individual Income Tax	Percentage of Corporate Income Tax	Gas Tax Per Gallon	Diesel Fuel Tax Per Gallon	Cigarette Tax Per Pack of 20
North Dakota	672,591	\$839	5%	2.50%	1.84% to 4.86%	2.1% to 6.4%	\$.230	\$.230	\$0.440
Alabama	4,779,736	\$490	4%	5.00%	2.00% to 5.00%	6.5%	\$.210	\$.220	\$0.425
Arkansas	2,915,918	\$506	6%	4.00%	1.00% to 7.00%	1.0% to 6.5%	\$.215	\$.225	\$1.150
New York	19,378,102	\$559	4%	4.88%	4.00% to 8.97%	7.1%	\$.244	\$.227	\$2.750
Oregon	3,831,074	\$573	0%	0.00%	5.00% to 11.00%	6.6% to 7.9%	\$.240	\$.240	\$1.180

Source: Tax Commissioner's office.

The schedule below provides information from the Lincoln Institute of Land Policy on property tax relief and incentive programs in each state identified above that were in effect in 2009:

	Residential Property Tax Relief Programs	Incentives for Specific Property Improvements	Incentives for Economic Development
North Dakota	<p>Homestead credit for 65 years of age and older or totally disabled residents up to \$4,500 if annual income is \$26,000 or less and assets are \$75,000 or less. Renter's credit, not to exceed \$400, if 20 percent of annual rent exceeds 4 percent of income.</p> <p>Disabled veteran and disabled resident, or the surviving spouse, exemption of the first \$120,000 of true and full valuation of eligible property if the disabled veteran is a paraplegic or disabled resident confined to a wheelchair.</p> <p>Property tax credit for disabled veteran or the surviving spouse based on percentage of disability against the first \$120,000 of true and full value of property</p>	<p>Exemption for pollution abatement improvements</p> <p>Five-year property tax exemption for solar, wind, and geothermal energy devices</p> <p>Exemption of up to \$150,000 of true and full value for the first two years after the taxable year in which construction is begun for all new single-family residential property and condominiums</p> <p>Exemption for up to five years on assessments on improvements to residential buildings that are at least 25 years old if approved by city or county</p>	<p>Renaissance zones, tax increment financing, and property tax exemptions for improvements to commercial buildings and new and expanding business projects</p>

	Residential Property Tax Relief Programs	Incentives for Specific Property Improvements	Incentives for Economic Development
Alabama	<p>Principal residence exemption for individuals with total disability or 65 years of age and older with an annual income of \$7,500 or less</p> <p>Senior citizens, blind, disabled, and retired persons - Homestead exemption for all state taxes and up to \$5,000 in assessed value for county taxes and school district taxes</p> <p>Under 65 years of age - Homestead exemption for up to \$4,000 in assessed values of state taxes and up to \$2,000 in assessed value for countywide and school district taxes</p> <p>Veteran, incompetent veteran, and veteran's surviving spouse - Exemption from all ad valorem taxes</p>	<p>Tax abatement of the full value of all capital investment by a company that is locating to a Brownfield (contaminated or polluted) development property and the lesser of 30 percent of the original cost of the property as remediated or \$2 million is eligible for up to 100 percent abatement of noneducation property taxes for up to 20 years.</p>	<p>Property tax abatements, tax increment districts, and enterprise zones</p>
Arkansas	<p>Homestead tax credit which provides a \$350 reduction in property taxes assessed on all homesteads used as primary residence of the owner of the homestead</p> <p>Homestead property tax exemption for disabled veterans or their surviving spouse of the full value of homestead</p> <p>Residential property for seniors or disabled residents is assessed based on the assessed value when the person became eligible or a later value, whichever is less.</p>	<p>None</p>	<p>Tax increment financing</p>
New York	<p>Income tax property tax credit for all real estate owned based on income levels and property values</p> <p>Senior citizen homestead exemption available at option of local governments and school districts</p> <p>Exemption for persons with disabilities not to exceed 50 percent of assessed value. Maximum eligible levels are set locally.</p>	<p>Corporate income tax credit for property taxes for remediated Brownfield property</p> <p>The value of energy conservation improvements is exempt from property taxes but not special assessments.</p> <p>Fifteen-year property tax exemption for construction of solar, wind, and farm waste energy systems. The exemption is equal to the increase in assessed value attributable to the new system.</p>	<p>Empire zones, banking development districts, industrial and commercial property exemptions in cities of one million or more, school property tax credits for farmers, tax increment bonds, exemptions for business investment, limited profit housing companies, municipal-owned housing projects housing development fund companies</p>

	Residential Property Tax Relief Programs	Incentives for Specific Property Improvements	Incentives for Economic Development
Oregon	<p>Basic school tax relief (STAR) exemption for all homeowners. The exemption amount is determined annually by a formula.</p> <p>Enhanced STAR exemption for 65 years of age and older with an income of less than \$67,850. The exemption is adjusted annually.</p> <p>Eligible veterans exemption of \$5,000 of assessed value from all taxes except local school taxes. Eligible disabled veterans exemption of full assessed value.</p> <p>Alternative veterans exemptions of 15 percent of assessed value for a wartime veteran and additional 10 percent to a wartime veteran who was in a combat zone. Veterans incurring service-related disability receive an additional reduction in assessed value of residence equal to one-half of the veteran's disability. Exemption applies to all taxes except school taxes.</p> <p>Volunteer firefighter and ambulance worker exemption of 10 percent of assessed value of property if allowed by local option</p> <p>Eligible clergy are exempt from general municipal and school district taxes up to \$1,500 of assessed value.</p> <p>Property tax deferral for disabled or senior citizens - State pays property taxes for the citizen and the citizen makes payments to the state.</p> <p>Homestead exemption for active duty military of up to \$60,000 of assessed value on homestead. Beginning July 1, 2006, the exemption is increased by 103 percent each year.</p> <p>Disabled veteran and veteran's surviving spouse exemption of up to \$18,000</p>	<p>Exemption for the increase in assessed value due to alterations or rehabilitation of historic barns and other properties</p> <p>Partial tax exemption for certain living quarters which have been constructed or reconstructed as an auxiliary dwelling unit for senior citizens or disabled individuals</p> <p>Real property tax abatement to owners of residences that include more than one dwelling unit for installation of protective safety devices at the request of disabled or senior citizens</p> <p>Property tax abatement of \$4.50 per square foot of green roof up to \$100,000 or the tax liability of the eligible building</p> <p>Tax abatement for the installation of solar electric generating systems</p> <p>Tax exemption from the increase in assessed value for rehabilitation of vacant residential structures determined to be unoccupied hazards</p> <p>Tax exemption from the increase in assessed value for multiple dwelling alterations and improvements in any city to which the multiple dwelling law applies</p> <p>Full exemption from property taxes for the value of eligible alternative energy systems</p> <p>The assessed value of historic property is frozen for up to 15 years upon approval of a preservation plan that includes substantial rehabilitation work.</p>	<p>Exemptions for food processors and buildings under construction, strategic investment program, enterprise zones, vertical housing development zones, and tax increment financing</p>

**Per Capita
State & Local Property Taxes
2008**

<u>Rank</u>	<u>State</u>	<u>Amount</u>
1	New Mexico	\$2,608
2	Connecticut	2,366
3	New Jersey	2,309
4	North Carolina	1,999
5	South Carolina	1,960
6	Florida	1,953
7	Virginia	1,892
8	Michigan	1,769
9	Indiana	1,649
10	Maryland	1,637
11	Georgia	1,632
12	Wyoming	1,561
13	Alaska	1,531
14	California	1,427
15	Minnesota	1,417
16	Nevada	1,383
17	Utah	1,353
18	Washington	1,341
19	Kentucky	1,308
20	Mississippi	1,260
21	Kansas	1,236
22	Rhode Island	1,233
23	Colorado	1,220
24	New Hampshire	1,217
25	Nebraska	1,205
26	Oklahoma	1,176
27	West Virginia	1,172
28	Massachusetts	1,160
29	Ohio	1,144
30	Pennsylvania	1,113
31	Iowa	1,080
32	Tennessee	1,058
33	Hawaii	1,040
34	Arizona	1,016
35	Delaware	1,008
36	Idaho	968
37	South Dakota	943
38	Montana	915
39	NORTH DAKOTA	839
40	Vermont	797
41	Missouri	779
42	Illinois	764
43	Texas	742
44	Wisconsin	680
45	Louisiana	644
46	Maine	632
47	Oregon	573
48	New York	559
49	Arkansas	506
50	Alabama	490
	US	\$2,316

SOURCE: US Census Bureau, July 7, 2010
US Department of Commerce, Bureau of Economic Analysis,
Regional Economic Accounts, www.bea.gov/regional

**Per \$1,000 of Personal Income
State & Local Property Taxes
2008**

<u>Rank</u>	<u>State</u>	<u>Amount</u>
1	New Jersey	\$53.89
2	New Mexico	51.83
3	Virginia	49.17
4	South Carolina	47.79
5	Maryland	44.53
6	Florida	43.67
7	Connecticut	43.50
8	Georgia	43.21
9	North Carolina	42.58
10	Wyoming	42.40
11	Minnesota	41.64
12	Indiana	39.83
13	Utah	37.09
14	Nevada	36.33
15	Alaska	35.90
16	Michigan	35.47
17	Nebraska	35.44
18	Kentucky	34.50
19	California	33.72
20	Kansas	33.65
21	Oklahoma	33.23
22	Iowa	32.01
23	New Hampshire	31.54
24	Pennsylvania	31.20
25	Rhode Island	31.14
26	Arizona	30.86
27	Hawaii	30.77
28	Washington	30.56
29	Mississippi	30.32
30	South Dakota	29.64
31	Colorado	29.51
32	Ohio	28.94
33	Tennessee	28.62
34	West Virginia	28.07
35	Missouri	25.88
36	Vermont	25.80
37	Montana	25.65
38	NORTH DAKOTA	24.35
39	Illinois	24.14
40	Massachusetts	24.02
41	Idaho	23.03
42	Texas	21.76
43	Wisconsin	21.11
44	Louisiana	20.21
45	Maine	17.79
46	Delaware	17.17
47	New York	16.95
48	Oregon	16.25
49	Arkansas	15.84
50	Alabama	14.80
	US	\$50.65

SOURCE: US Census Bureau, July 7, 2010
US Department of Commerce, Bureau of Economic Analysis,
Regional Economic Accounts, www.bea.gov/regional