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Reinstate a State Property Tax

Prepared for the Citizens Finance Review Commission

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PROPOSAL

A state property tax would be a levy (or rate) fixed annually by the Legislature. The assumption is that the proceeds of the levy will be placed in the state general fund.

The state general fund was the recipient of proceeds from a state property tax from statehood to 1996, when the state general fund tax rate was reduced from 47 cents to zero. In 1981, the Legislature established a statewide property tax for the support of K-12 education commonly referred to as the county education equalization rate. Established at a rate of \$0.50, that rate is set at \$0.4717 for 2003. The funds are distributed to equalize the disparity in taxable values between school districts in each county.

The Arizona Constitution provides the Legislature broad authority levying taxes, including property taxes. While the primary property taxes of counties, community college districts, and cities and towns were limited by constitutional amendment in 1980, the authority of the state to levy taxes on behalf of the state general fund as well as school districts is not limited (with the exception of the one-percent cap on residential property).

Article 9, Sections 3 and 4 of the Arizona Constitution provide in part as follows:

“Section 3. The Legislature shall provide by law for an annual tax sufficient, with other sources of revenue, to defray the necessary ordinary expenses of the State for each fiscal year. And for the purpose of paying the State Debt, if there be any, the Legislature shall provide for levying an annual tax sufficient to pay the annual interest and the principal of such debt within twenty-five years from the final passage of the law creating the debt.”

“Section 4. Whenever the expenses of any fiscal year shall exceed the income, the Legislature may provide for levying a tax for the ensuing fiscal year sufficient, with other sources of income, to pay the deficiency, as well as the estimated expenses of the ensuing fiscal year.”

For a history of state imposed property tax rates, see the Attachment 1.

ADMINISTRATION OF PROPOSAL

A state general fund property tax rate would be easily administered in the same manner that other state and local property tax rates are administered each year. As suggested in the proposal, the State Legislature would annually determine the rate necessary to generate the desired level of property taxes levied for the state general fund. Currently the Legislature is responsible for annually establishing the tax rate for the county education equalization rate (A.R.S. §15-994), the qualifying tax rate (QTR) for K-12 school equalization (A.R.S. §15-971), the Minimum QTR for K-12 school districts (A.R.S. §15-992), and the unorganized school district tax rate (A.R.S. §15-991.01).

There would be no additional administrative burden placed on county assessors if a new state rate is created. County treasurers would be required to add a new line on all property tax bills.

However, as indicated above, such a levy was in place prior to 1996 so there should not be any impediments to county treasurers implementing such a change.

IMPACT ON EXISTING REVENUE SYSTEMS

The proposal does not recommend an estimated annual levy. For the purpose of this analysis a new statewide property tax levy will be estimated at two levels: First, at a levy generated by a \$0.50 tax rate on the 2002 statewide primary net assessed value. This rate is 3 cents higher than the previous state general fund rate. The second analysis will be done on a levy generated through a \$1.00 tax rate on the same value. (For the purpose of maintaining consistency with the data used for the analysis, tax year 2002 values are used because values by class of property are not yet available for 2003).

For tax year 2002, the statewide primary net assessed value was \$34,854,285,601. The following levies would be generated using rates of \$0.50 and \$1.00:

A \$0.50 rate would generate \$174,271,428.

A \$1.00 rate would generate \$348,542,856.

Table 1 below shows the overall taxes collected by class of property for tax year 2002.

Table 1: 2002 statewide average effective property tax rates

Class	Description	Assessment Ratio	Total Taxable Full Cash Value	Percent of Total FCV	Total Taxes Paid	Percent of Total Paid	Effective Rate
1	Commercial, Industrial, Utilities, & Mines	25%	\$63,327,870,879	23.47%	\$1,844,726,209	44.24%	2.91%
2	Agricultural & Vacant Land	16%	19,731,879,936	7.31%	317,242,001	7.61%	1.61%
3	Owner-occupied Residential	10%	158,164,295,799	58.62%	1,658,758,696	39.78%	1.05%
4	Rental Residential	10%	24,353,520,202	9.03%	306,948,518	7.36%	1.26%
5	Railroad, Private car, airline flight	20%	1,096,016,250	0.41%	26,554,841	0.64%	2.42%
6	Residential historic, Enterprise zones	5%	2,571,451,913	0.95%	15,025,509	0.36%	0.58%
7	Commercial Historic	1%	20,497,803	0.01%	445,152	0.01%	2.17%
8	Rental Residential Historic	1%	563,360,325	0.21%	109,584	0.00%	0.02%
9	Possessory Interests	1%	1,451,157	0.00%	1,823	0.00%	0.13%
Total			\$269,830,344,264	100.00%	\$4,169,812,332	100.00%	1.55%

For comparative purposes, *Table 2* shows the impact by class of property with a new \$0.50 rate applied using the current assessment ratios and *Table 3* shows the same analysis with a \$1.00 tax rate.

Table 2 and *Table 3* reflect the increases in property taxes by class of property for both a \$0.50 and \$1.00 tax rate. Obviously, the effective tax rates on all classes increase, while the statewide average effective rate climbs from 1.55% to 1.61% and 1.67% respectively. Because of the assessment ratios, class 1 property, although possessing less than half of the full cash value of class 3, sees the largest increase in taxes in both scenarios. The largest increase in effective tax rates also occurs in class 1.

As a result of the 1% cap on owner-occupied property, not all of the new levies in either scenarios are realized by the general fund. The increased 1% cap payments in the \$0.50 and \$1.00 scenario are \$5.9 million and \$12.5 million respectively. Note: The reason the net levy plus the loss in 1% cap payments exceeds the original levy amount is the proceeds of SRP's in-lieu payments are included in the net proceeds of class 1 as well as the proceeds of flight property and private car companies.

Table 2: 2002 statewide average effective property tax rates after enacting a statewide 50 cent property tax rate on current values

Class	Total Taxable Full Cash Value	Percent of Total	Total Yield	Percent of Total	Effective Rate	Difference In Yield
1	63,327,870,879	23.47%	1,919,686,045	44.20%	3.03%	74,492,077
2	19,731,879,936	7.31%	329,470,709	7.59%	1.67%	12,134,069
3	158,164,295,799	58.62%	1,731,592,443	39.87%	1.09%	71,667,267
4	24,353,520,202	9.03%	318,762,850	7.34%	1.31%	11,709,902
5	1,096,016,250	0.41%	27,628,735	0.64%	2.52%	1,071,283
6	2,571,451,913	0.95%	15,594,658	0.36%	0.61%	569,066
7	20,497,803	0.01%	460,446	0.01%	2.25%	15,295
8	563,360,325	0.21%	113,425	0.00%	0.02%	3,841
9	1,451,157	0.00%	1,877	0.00%	0.13%	54
Total	269,830,344,264	100.00%	4,343,311,188	100.00%	1.61%	171,662,854

Table 3: 2002 statewide average effective property tax rates after enacting a statewide \$1.00 tax rate on current value

Class	Total Taxable Full Cash Value	Percent of Total	Total Yield	Percent of Total	Effective Rate	Difference In Yield
1	63,327,870,879	23.47%	1,994,178,122	44.18%	3.15%	148,984,153
2	19,731,879,936	7.31%	341,604,778	7.57%	1.73%	24,268,139
3	158,164,295,799	58.62%	1,802,397,481	39.93%	1.14%	142,472,305
4	24,353,520,202	9.03%	330,472,752	7.32%	1.36%	23,419,804
5	1,096,016,250	0.41%	28,702,672	0.64%	2.62%	2,145,220
6	2,571,451,913	0.95%	16,163,724	0.36%	0.63%	1,138,133
7	20,497,803	0.01%	475,741	0.01%	2.32%	30,589
8	563,360,325	0.21%	117,266	0.00%	0.02%	7,682
9	1,451,157	0.00%	1,930	0.00%	0.13%	108
Total	269,830,344,264	100.00%	4,514,114,466	100.00%	1.67%	342,466,133

Tables 4 and Table 5 reflect the impact by class of a levy of \$174,271,428 and \$348,542,856, respectively, on the 2002 statewide primary value using one assessment ratio for all property tax classes. *Note: the effect on each class of property is the same regardless of the assessment ratio*

used, as long as the same ratio is employed for each class and the levy remains the same. For purposes of this analysis, a 10% assessment ratio was used for all classes of property in order to determine the tax rate necessary to raise \$174.3 million and \$348.5 million.

Using a uniform assessment ratio of 10%, the tax rate necessary to raise \$174.3 million is \$0.6863. To raise \$348.5 million, the rate is \$1.3726.

Table 4: 2002 statewide average effective property tax rates after enacting a statewide \$0.6863 tax rate using 10% assessment ratios (statewide rate only)

Class	Total Taxable Full Cash Value	Percent of Total	Total Yield	Percent of Total	Effective Rate	Difference In Yield
1	63,327,870,879	23.47%	1,886,096,771	43.47%	2.98%	40,902,802
2	19,731,879,936	7.31%	327,747,089	7.55%	1.66%	10,410,449
3	158,164,295,799	58.62%	1,758,112,527	40.52%	1.11%	98,187,351
4	24,353,520,202	9.03%	323,127,402	7.45%	1.33%	16,074,455
5	1,096,016,250	0.41%	26,895,317	0.62%	2.45%	337,865
6	2,571,451,913	0.95%	16,587,932	0.38%	0.65%	1,562,341
7	20,497,803	0.01%	458,052	0.01%	2.23%	12,901
8	563,360,325	0.21%	114,862	0.00%	0.02%	5,278
9	1,451,157	0.00%	2,561	0.00%	0.18%	738
Total	269,830,344,264	100.00%	4,339,142,514	100.00%	1.61%	167,494,180

Table 5: 2002 statewide average effective property tax rates after enacting a statewide \$1.3726 tax rate using 10% assessment ratios (statewide rate only)

Class	Total Taxable Full Cash Value	Percent of Total	Total Yield	Percent of Total	Effective Rate	Difference In Yield
1	63,327,870,879	23.47%	1,926,999,573	42.80%	3.04%	81,805,604
2	19,731,879,936	7.31%	338,157,538	7.51%	1.71%	20,820,899
3	158,164,295,799	58.62%	1,852,495,550	41.14%	1.17%	192,570,374
4	24,353,520,202	9.03%	339,201,857	7.53%	1.39%	32,148,910
5	1,096,016,250	0.41%	27,233,182	0.60%	2.48%	675,730
6	2,571,451,913	0.95%	18,150,273	0.40%	0.71%	3,124,682
7	20,497,803	0.01%	470,953	0.01%	2.30%	25,801
8	563,360,325	0.21%	120,141	0.00%	0.02%	10,557
9	1,451,157	0.00%	3,299	0.00%	0.23%	1,477
Total	269,830,344,264	100.00%	4,502,832,366	100.00%	1.67%	331,184,032

An analysis of enacting a new state property tax on a uniform 10% ratio indicates that while the effective tax rate on all classes of property increases, some increase more than others. A \$174.3 million tax increase using the uniform ratio raises the effective rate on class 1 (business) from 2.91% to 2.98% or a net increase of .07%.

The impact on class 3 (residential) property under the uniform ratio is arise in the effective rate from 1.09% to 1.11% or a net increase of .02%.

As was the case in the analysis in *Tables 2* and *3*, the 1% cap payments increase as a result of the new levy under the uniform ratio scenario. Those payments obviously increase as a result of higher taxes on class 3 property. Under the scenario in *Table 4*, the 1% cap payments climb another \$8.3 million over current levels. The number of school districts at the 1% cap climbs from the current 33 to 45. The number of districts within \$1.00 of the cap climbs from 20 to 36. The 1% cap payments in the *Table 5* scenario increase more dramatically to \$20.3 million over current levels. The number of school districts at the cap rises form 33 to 65 and the districts within \$1.00 of the cap more than doubles from 20 to 43.

The amount of any withdrawal from the general fund for the increased payments due to residential property tax reaching the 1% cap limit is not close to the additional revenue the general fund will receive from the property tax. Some have suggested dealing directly with the 1% limitation by either repealing it or offering an alternative exemption.

COST TO ADMINISTER THE PROPOSAL

The cost of administering a new statewide property tax would be insignificant for state and local government. There would likely be some programming costs for county government in order to implement the new assessed value necessary to pay this particular rate. For example, a business with a \$100,000 full cash value (secondary) and \$95,000 limited value (primary) has a net assessed value of \$25,000 for secondary purposes and \$23,750 for primary after applying the 25 % assessment ratio for business property. Employing a new assessment ratio (or simply using the limited value for that matter) will require the counties to modify, albeit slightly, the computer program used to calculate the tax bill.

Since an increase in primary property taxes has a potential impact on the 1% cap on residential primary property taxes, this proposal will also require administrative oversight of that calculation. However, those administrative costs are already in place and this proposal should not add to them.

POLICY CONSIDERATIONS

Equity

The equity considerations of this proposal may be measured on more than one level.

From our current perspective of multiple, unequal assessment ratios, this stand-alone proposal applying a uniform ration prospectively is likely to improve the equity of the property tax system.

Arizona's current property tax system that applies varying assessment ratios to nine classifications of property in order to shift the distribution of the tax burden for one class to another fails most equity tests. As has been repeatedly documented, the system results in large

inequities in taxes between residential and business property. Arizona's commercial property taxes have been documented to be some of the highest in the country. (See rankings in *Attachment 2* from the Minnesota Taxpayers Association's *50-State Property Tax Comparison Study 2002*.) This proposal, although raising taxes on all classes of property, at least begins to address the systemic inequities caused by the varying assessment ratios. Clearly, any increases in property taxes should attempt to avoid exacerbating the current inequities in Arizona's property tax system.

While the proposal to levy the new tax on an equitable basis is a move in the right direction in terms of improving equity within the property tax system, it is important to note that it probably exacerbates the inequities Arizona is challenged with on a national level. While the inequity of the classification system and different assessment ratios plays the greatest role in the high effective tax rates paid by business property taxpayers, the overall amount of property taxes levied is also a factor. Although this tax would be levied on an equitable basis, as demonstrated in *Tables 4* and *5*, the effective tax rate on commercial and industrial property taxpayers would still climb by .07%.

However, others have argued that business property benefited from the tax shift when school construction funding responsibilities were moved from local property tax to the general fund.¹

Economic Vitality

There is considerable debate on the degree of impact of a state property tax on economic vitality.

A state property tax, even one levied equitably on the current nine classes of property, would increase the effective tax rate on business property by 0.7% and therefore add to Arizona's current economic development challenges.

Arizona's high business property taxes have been repeatedly demonstrated to be considerably higher than the national average – ranking as high as 3rd nationally (see *Attachment 2*). Those high effective rates have led to the creation of a variety of tax incentives in state statutes such as foreign trade zones, enterprise zones, and tax abatement. It is possible that increasing property taxes will put more pressure on the use of these tax breaks as a means to side-step the high business property taxes.

Most agree that higher than average tax burdens have some effect on business location decisions. The debate has been on the extent of that effect. Those who question the degree of the detrimental effect of high business property taxes point to the states strong historical

¹ The expense of school construction historically funded by the local property tax with its 25% assessment ratios on business property was shifted to the general fund at a cost of around 3 billion dollars with future costs estimated to be between 200 to 300 million annually. In referring to the students first alternative, the ASU study for CFRC stated: "This program was added to the general fund without general fund revenue being enhanced, contributing to the structural deficit."

employment growth and gross state product growth, despite the high business property tax.² And although the role taxes plays in any individual business' site selection decision is hard to predict, some studies who have tried to rank its importance against other factors put it in the middle of a list of 25 factors.³

The effect of a new state property tax on the economic vitality of the other classes of property is less clear. Residential property taxes in Arizona are below the national average and the increases in the effective tax rates OF .02% reflected in *Tables 2* and *3* would not likely change those rankings significantly.

For further information on Arizona's business tax climate may be found in the following studies:

- ◆ *A Current Assessment of Arizona's Tax Competitiveness*, Kent Hill, ASU Center for Business Research March (2000);
- ◆ *Arizona Business Tax Competitiveness Model*, Barents Group of KPMG Peat Marwick(1998);
- ◆ *Western States Business Tax Burdens*, Utah State Tax Commission;
- ◆ *New Mexico Business Tax Competitiveness Study*, KPMG Peat Marwick (1997);
- ◆ *Business Climate Study*, Ernst & Young Texas.

² The Fiscal 2000 Commission specifically looked at Arizona's economic growth in comparison with seven neighboring states in the period from 1973 to 1981 and from 1981 to 1987 when the a state property tax and assessment ratios had greater variations than there are today. The study looked at "employment growth" and "gross state product growth." The conclusions were as follows:

1. Employment growth: "Arizona experienced the most rapid employment growth rate of the seven states during the 1981 to 1987 period. In addition, Arizona's employment growth was more than double the national average in both the 1981 to 1987 period and the 1973 to 1981 period."
2. Gross state product measures payroll plus capital earnings: in the 1973 to 1981 period: "of the seven states, Nevada, Utah, and Arizona were the fastest growing states when either gross state product or employment are used to measure growth. But, during the 1973 to 1981 period, Arizona had the second largest growth rate of employment among the comparison states, while it had the third largest growth rate of gross state product."

From 1981 to 1986 "gross state product grew more quickly than employment. During this latter period, Arizona and California grew faster than the u.s. as a whole when growth is measured by gross state product. The conclusion that Arizona was a rapid growing state remains intact."

³ The study done by ASU for the CFRC recognized Arizona's high business tax and criticized the varying assessment ratios, it also came to the following conclusions;

"Many factors influence economic growth and economic development. Taxes, especially business taxes, are one of these factors, but the quality of public services also is a factor. The importance of taxes varies by industry and company, but generally this is not a particularly significant factor, especially for higher-wage, higher-technology companies." Further, the report stated, "Despite the attention given to taxes, tax payments are a small expense for most business, on average accounting for only 2 percent of operating income."

Volatility

There are a variety of ways to analyze the impact of this proposal on the volatility of Arizona's tax structure. First, adding another property tax rate the state controls that can be adjusted annually would add to the overall stability of state general fund revenue. As discussed earlier, this proposal contemplates the Legislature making annual adjustments to the tax rate in order to meet fluctuations in the expenditures demands on the state general fund. Arizona had a state property tax from 1913 to 1996 with rates that varied from \$0.25 to \$2.20 (see attachment). It served not only as an important source of revenue, but as a budget balancing mechanism that complied with Art. 9, Secs. 3 & 4 of the constitution. Because property taxes are viewed as a more stable source of revenue than either income or sales, this proposal could be viewed as improving stability of state general fund revenue.

Another different view on the volatility question would be that increases to business property taxes would further undermine a property tax system that is broken. While state government would initially benefit from the added property taxes, exacerbating the high business property tax problem would threaten the future viability of Arizona's property tax system.

Simplicity

Arizona's property tax system is already regarded as one of the most complicated in the country. Although the creation of new assessment ratio for this new state levy would add, only marginally, to the complexity of the system.

Attachment 1

Property Tax Rates Controlled by the State

Year	State Tax Rate	County Ed Rate	Funding Formula Qualifying Tax Rates*		
			K-8 QTR	9-12 QTR	Unified QTR
1977	1.6000	-	-	-	-
1978	1.1000	-	-	-	-
1979	0.4800	-	-	-	-
1980	1.2500	0.5000	2.6000	2.6000	5.2000
1981	0.9500	0.5000	2.4800	2.4800	4.9600
1982	0.7500	0.5000	2.3600	2.3600	4.7200
1983	0.7500	0.5000	2.3600	2.3600	4.7200
1984	0.4000	0.5000	2.3600	2.3600	4.7200
1985	0.4000	0.5000	2.3600	2.3600	4.7200
1986	0.3800	0.5000	2.3600	2.3600	4.7200
1987	0.3800	0.5000	2.3600	2.3600	4.7200
1988	0.4700	0.5000	2.3600	2.3600	4.7200
1989	0.4700	0.5300	2.3600	2.3600	4.7200
1990	0.4700	0.5300	2.3600	2.3600	4.7200
1991	0.4700	0.5300	2.3600	2.3600	4.7200
1992	0.4700	0.5300	2.3600	2.3600	4.7200
1993	0.4700	0.5300	2.3600	2.3600	4.7200
1994	0.4700	0.5300	2.3600	2.3600	4.7200
1995	0.4700	0.5300	2.3600	2.3600	4.7200
1996	-	0.5300	2.2000	2.2000	4.4000
1997	-	0.5300	2.2000	2.2000	4.4000
1998	-	0.5300	2.2000	2.2000	4.4000
1999	-	0.5217	2.1654	2.1654	4.3308
2000	-	0.5123	2.1265	2.1265	4.2530
2001	-	0.4974	2.0647	2.0647	4.1294
2002	-	0.4889	2.0296	2.0296	4.0592
2003	-	0.4717	1.9583	1.9583	3.9166

***Other state-controlled rates:**

- ◆ County education districts (15-991.01): Property not in an organized school district currently pays K-12 school district taxes at half of the unified QTR.
- ◆ Minimum QTR districts (15-992): If a district can fund its budget by levying taxes with a rate less than 50% of the applicable QTR, then 50% of the QTR becomes the rate. Revenue above the amount levied to fund the district’s budget goes to the state general fund.
- ◆ Career ladder districts (15-918.05): There are currently 28 districts that add either \$0.11 (elementary or high school) or \$0.22 (unified) to their primary tax rate for the local contribution to career ladder funding. In FY 02, the local contribution from districts amounted to \$20.8 million. The state general fund contribution for career ladder was \$33.8 million.

Attachment 2

**Residential vs. Industrial Property Taxes Rankings
(Payable 2000 – Largest Urban Areas)**

Residential Property Taxes

\$150,000 Land and Building
\$50,000 Fixtures

Industrial Property Taxes

\$25,000,000 Land and Building
\$12,500,000 Machinery and Equipment
\$10,000,000 Inventories \$2,500,000 Fixtures

Rank	State	Total Net Tax	Total ETR	Rank	State	Total Net Tax	Total ETR
50	Alabama	\$ 887	0.444%	42	Alabama	\$ 528,200	1.056%
19	Alaska	2,533	1.266%	34	Alaska	674,813	1.350%
31	ARIZONA	1,741	0.871%	3	ARIZONA	1,542,236	3.084%
30	Arkansas	1,742	0.871%	38	Arkansas	602,753	1.206%
29	California	1,788	0.894%	45	California	500,000	1.000%
49	Colorado	977	0.489%	27	Colorado	762,762	1.526%
15	Connecticut	2,989	1.495%	4	Connecticut	1,513,400	3.027%
32	Delaware	1,694	0.847%	49	Delaware	434,732	0.869%
48	District of Columbia	1,005	0.503%	19	District of Columbia	997,900	1.996%
10	Florida	3,278	1.639%	13	Florida	1,059,001	2.118%
42	Georgia	1,339	0.670%	37	Georgia	619,995	1.240%
51	Hawaii	378	0.189%	51	Hawaii	224,468	0.449%
27	Idaho	1,866	0.933%	32	Idaho	721,177	1.442%
1	Illinois	4,810	2.405%	1	Illinois	1,967,725	3.935%
20	Indiana	2,515	1.258%	5	Indiana	1,430,149	2.860%
14	Iowa	3,041	1.520%	11	Iowa	1,128,649	2.257%
37	Kansas	1,531	0.765%	8	Kansas	1,182,137	2.364%
22	Kentucky	2,197	1.099%	30	Kentucky	728,510	1.457%
43	Louisiana	1,246	0.623%	9	Louisiana	1,165,072	2.330%
9	Maine	3,432	1.716%	20	Maine	960,000	1.920%
12	Maryland	3,143	1.571%	31	Maryland	721,680	1.443%
38	Massachusetts	1,473	0.737%	25	Massachusetts	855,250	1.711%
2	Michigan	4,453	2.226%	2	Michigan	1,547,358	3.095%
23	Minnesota	2,110	1.055%	10	Minnesota	1,142,434	2.285%
28	Mississippi	1,862	0.931%	23	Mississippi	892,042	1.784%
24	Missouri	2,055	1.028%	12	Missouri	1,062,787	2.126%
41	Montana	1,386	0.693%	43	Montana	506,873	1.014%
17	Nebraska	2,688	1.344%	28	Nebraska	733,906	1.468%
35	Nevada	1,597	0.798%	48	Nevada	435,606	0.871%
3	New Hampshire	4,116	2.058%	33	New Hampshire	686,025	1.372%
5	New Jersey	4,047	2.024%	18	New Jersey	1,016,155	2.032%
40	New Mexico	1,399	0.700%	44	New Mexico	500,407	1.001%
44	New York	1,244	0.622%	15	New York	1,025,703	2.051%
33	North Carolina	1,693	0.846%	46	North Carolina	461,653	0.923%
16	North Dakota	2,926	1.463%	41	North Dakota	549,371	1.099%
25	Ohio	2,054	1.027%	24	Ohio	887,638	1.775%
36	Oklahoma	1,581	0.790%	36	Oklahoma	650,123	1.300%
13	Oregon	3,051	1.526%	26	Oregon	813,600	1.627%
6	Pennsylvania	3,927	1.964%	16	Pennsylvania	1,020,413	2.041%
8	Rhode Island	3,584	1.792%	7	Rhode Island	1,213,301	2.427%
45	South Carolina	1,139	0.570%	14	South Carolina	1,042,192	2.084%
18	South Dakota	2,680	1.340%	35	South Dakota	651,015	1.302%
21	Tennessee	2,399	1.199%	21	Tennessee	950,609	1.901%
4	Texas	4,076	2.038%	6	Texas	1,417,550	2.835%
39	Utah	1,442	0.721%	39	Utah	569,959	1.140%
11	Vermont	3,199	1.600%	17	Vermont	1,018,642	2.037%
26	Virginia	1,977	0.989%	40	Virginia	554,704	1.109%
34	Washington	1,641	0.820%	47	Washington	454,558	0.909%
47	West Virginia	1,020	0.510%	22	West Virginia	901,388	1.803%
7	Wisconsin	3,812	1.906%	29	Wisconsin	733,030	1.466%
46	Wyoming	1,062	0.531%	50	Wyoming	342,700	0.685%
	AVERAGE	\$ 2,271	1.136%		AVERAGE	\$ 864,752	1.730%

Source: Minnesota Taxpayers Association