

STATE COMPARISONS

North Dakota's property taxes are relatively moderate compared to those in other states, whether measured per capita or per \$1,000 of personal income. In recent years, property values have increased significantly resulting in a corresponding increase in property tax assessments. In response, many states have implemented various property tax relief initiatives in an effort to reduce the property tax burden. The tables compare the property taxes on equally valued homes in similar size in North Dakota cities as well as in neighboring states. Neighboring states' property taxes on similarly valued residences may appear less than North Dakota's because those states provide a homestead credit for all owner-occupied residential property. North

Dakota's homestead credit is available only to elderly and individuals with disabilities with limited income.

Rankings (as shown on the following page) based on collections offer insight into overall tax levels. However, further analysis is needed to see the details of how state tax systems differ. Property taxes may vary by property classification and different types of property may be taxed or excluded. Some states, such as Wyoming, use the property tax to tax mineral wealth while states like North Dakota levy separate severance taxes.

PROPERTY TAXES ON AN OWNER OCCUPIED HOME IN NORTH DAKOTA - PAYABLE IN 2019

\$100,000 Home		\$200,000 Home	
<u>City</u>	<u>Tax Amount*</u>	<u>City</u>	<u>Tax Amount*</u>
Bowman	\$1,101	Bismarck	\$2,129
Carrington	\$1,729	Devils Lake	\$2,882
Grafton	\$1,966	Dickinson	\$2,202
Kenmare	\$1,342	Fargo	\$2,632
Lisbon	\$1,467	Grand Forks	\$2,862
Rugby	\$1,327	Jamestown	\$2,953
Washburn	\$1,252	Mandan	\$2,389
Watford City	\$ 791	Minot	\$3,039
		Valley City	\$2,851
		Wahpeton	\$3,290
		West Fargo	\$2,692
		Williston	\$1,797
		Watford City	\$1,582

Source: North Dakota Office of State Tax Commissioner.

* Calculations assume taxes are paid by February 15th, allowing the taxpayer a 5% discount.

PROPERTY TAXES ON A \$200,000 OWNER OCCUPIED HOME IN NEIGHBORING STATES - PAYABLE IN 2019

South Dakota¹		Montana		Minnesota²	
<u>City</u>	<u>Tax Amount</u>	<u>City</u>	<u>Tax Amount</u>	<u>City</u>	<u>Tax Amount</u>
Aberdeen	\$3,514	Miles City	\$2,380	Bemidji	\$2,714
Rapid City	\$2,808	Great Falls	\$2,115	St. Cloud	\$2,705
Sioux Falls	\$3,056	Billings	\$1,892	Minneapolis	\$2,654

⁽¹⁾ An owner-occupied residence (primary residence) receives an approximate 19% property tax reduction compared to other classifications of property.

⁽²⁾ Homestead Market Value Exclusion: Starting with taxes payable in 2014, the maximum exclusion of 40% of value occurs at \$76,000 and phases out as home value grows.

Source: Survey by North Dakota Office of State Tax Commissioner.