

No tax relief from “growth” — total tax base drops in tax year 2006.

TOTAL VALUATION OF TOWN FOR TAX YEAR 2005	\$267,189,420
TOTAL VALUATION OF TOWN FOR TAX YEAR 2006	\$266,521,180
NET LOSS IN TAXABLE PROPERTY	\$ 668,240

EXCERPT FROM PAGE 3, 2006 MS-1 (SUMMARY INVENTORY OF VALUATION)

WIC Notes: See the whole form at <http://www.winchester-informed-citizen.org/pdf/MS12006.pdf>

FORM MS-1	NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION SUMMARY INVENTORY OF VALUATION FORM MS-1 FOR 2006	2006		
16	Wood-Heating Energy Systems Exemption RSA 72:70	Total # granted	0	0
17	Solar Energy Exemption RSA 72:62	Total # granted	0	0
18	Wind Powered Energy Systems Exemption RSA 72:66	Total # granted	0	0
19	Additional School Dining/Dormitory/Kitchen Exemption RSA 72:23 IV (Amounts in excess of \$150,000 exemption)	Total # granted	0	0
20	TOTAL DOLLAR AMOUNT OF EXEMPTIONS (Sum of Lines 12-19)			\$ 2,288,900
21	NET VALUATION ON WHICH THE TAX RATE FOR MUNICIPAL, COUNTY & LOCAL EDUCATION TAX IS COMPUTED (Line 11 minus Line 20)			\$ 266,521,180
22	LESS Utilities (Line 3A) Do NOT include the value of OTHER utilities listed in Line 3B			\$ 3,276,800
23	NET VALUATION WITHOUT UTILITIES ON WHICH TAX RATE FOR STATE EDUCATION TAX IS COMPUTED (Line 21 minus Line 22)			\$ 263,244,380

HOW DID THE TOTAL VALUATION GO DOWN?

Despite some new construction in town, we, the taxpayers, are still suffering the consequences of a poor property revaluation done a couple years ago. It has taken time to correct errors and adjust erroneously calculated assessments. One large factor in the decrease in valuation was that Plumb Pak had been wrongly assessed as all “office space,” which carries a higher assessment than manufacturing and warehouse space. There were also inequitable assessments on lakefront property. Hopefully, most the major errors have been corrected.

IS THIS REALLY BAD NEWS?

Yes. It means that your property tax bill is very likely to increase significantly (unless your property value recently decreased in one of corrections). Tax rates are set by the state based on the amount of spending approved by the voters, minus any revenues from sources other than taxes. The amount to be raised by taxation is divided “equitably” among taxpayers at X-amount of dollars per thousand dollars of assessed property value. Spending has gone up, and all spending will be spread out over a smaller pool of assessed value.

In fiscal 2005-2006 every \$267,189 of spending had a \$1.00 impact on the tax rate.

In fiscal 2006-2007 every \$266,521 of spending will have a \$1.00 impact on the tax rate.

Voter-approved *town* spending went up for 2006-2007 by \$693,962. (\$2.60 impact on the tax rate) (See page 3.)

Voter-approved *school* spending went up for 2006-2007 by \$670,318. (\$2.52 impact on the tax rate)

Total voter-approved spending went up for 2006-2007 by \$1,219,280. (\$5.12 total impact on the tax rate)

Anticipated revenues are another factor. (See page 2.) With anticipated revenues down, and spending up, the difference will have to be made up by taxpayers through a further increase in the tax rate.

According to the page 8 of the MS-7, Budget of the Town, as submitted by the budget committee to the state and posted with the 2006 warrant for town meeting, revenues were expected to go down, as shown below:

Estimated Revenues 2005 \$1,695,164
 - Estimated Revenues 2006 \$1,627,588
Equals a Decrease of \$ 67,576 from 2005 to 2006

WIC Notes: See the whole form at <http://www.winchester-informed-citizen.org/pdf/MS72006.pdf>

	PRIOR YEAR ADOPTED BUDGET	SELECTMEN'S RECOMMENDED BUDGET	BUDGET COMMITTEE'S RECOMMENDED BUDGET
SUBTOTAL 1 Appropriations Recommended (from pg. 5)	2,990,263	3,431,732	3,381,465
SUBTOTAL 2 Special Warrant Articles Recommended (from pg. 6)	298,155	167,197	160,022
SUBTOTAL 3 "Individual" Warrant Articles Recommended (from pg. 6)	7,000	183,650	32,800
TOTAL Appropriations Recommended	3,295,418	3,782,579	3,574,287
Less: Amount of Estimated Revenues & Credits (from above)	1,695,164	1,627,588	1,627,588
Estimated Amount of Taxes to be Raised	1,600,254	2,154,991	1,946,699

However, according to page 2 of the 2006 MS-4, Revised Estimated Revenues, as submitted by the Financial Administration department to the state, the revised estimate for 2006 revenues of \$1,670,848 would mean a smaller decrease in revenues.

Estimated Revenues 2005 \$1,695,164
 - Revised Estimated Revenues 2006 \$1,670,848
Equals a Decrease of \$ 24,316 from 2005 to 2006

REVISED ESTIMATED REVENUES (RSA 21-J:34)

WIC Notes: See the whole form at <http://www.winchester-informed-citizen.org/pdf/MS42006.pdf>

		PROG. from Long term Bonds & Notes		
		SUBTOTAL OF REVENUES	1,670,848	
For Municipal Use	**General Fund Balance**			
\$	Unreserved Fund Balance		XXXXXXXXXX	XXXXXXXXXX
\$	Less Emergency Approp. (RSA 32:11)		XXXXXXXXXX	XXXXXXXXXX
\$	Less Voted From "Surplus" →			
\$	Less Fund Balance - Reduce Taxes →			
\$	Fund Balance - Retained		XXXXXXXXXX	XXXXXXXXXX
		TOTAL REVENUES AND CREDITS		

REQUESTED OVERLAY (RSA 76:6) \$ _____

Page 2 of the MS-2, **Report of Appropriations Actually Voted** (at 2006 town meeting), **as signed by four selectmen** and submitted to the state following town meeting showed total appropriations at \$3,738,462, with notes to the selectmen made by Financial Administration showing the 2005 budget amount at \$3,139,500 for an increase of \$598,962. Using those numbers WIC calculates:

2006 \$3,738,462
 -2005 \$3,139,500 (from above)
Increase \$ 598,962 in appropriations from 2005 to 2006

WIC Notes: See the whole form at <http://www.winchester-informed-citizen.org/pdf/MS22006.pdf>

4918	To Nonexpendable Trust Funds		
4919	To Agency Funds		
TOTAL VOTED APPROPRIATIONS		3,738,462	

Current Year 3,139,500
Increase of 598,962.

MS-2
Rev. 02/06

However, when the MS-2 and election documents were reviewed by the New Hampshire Department of Revenue administration **and after corrections were made by the DRA**, even after it *disallowed \$50,000* for the fire truck capital reserve article (because the purpose was changed at deliberative session of town meeting) the total amount of appropriations *was increased to \$3,833,462*. (See below.) Subtracting the total amount of appropriations in 2005 (as shown above) from the corrected 2006 appropriations we calculate:

2006 \$3,833,462
 -2005 \$3,139,500 (from above)
Increase \$ 693,962 in appropriations from 2005 to 2006

WIC Notes: See the whole form at <http://www.winchester-informed-citizen.org/pdf/DRAcorrected2006MS2.pdf>

4916	EVERGREEN CEMETERY TRUST To Exp. Tr. Fund-except #4917	20 ✓	17,500
4917	To Health Maint. Trust Funds		
4918	To Nonexpendable Trust Funds		
4919	To Agency Funds		
TOTAL VOTED APPROPRIATIONS		3,738,462	3,833,462 <i>2/2/06</i> <i>SIC</i>

MS-2
Rev. 02/06

Other factors affecting the tax rate are the county tax, the state school tax and any surplus in the unreserved fund balance that selectmen can apply to reduce taxation. Those numbers are not yet available.

Also, **tax abatements and rebates** granted during the last year for tax years 2005 and 2006, equal **\$240,184.80**, and that money must come from the unreserved fund balance in addition to an insufficient amount set aside for that purpose. There are also outstanding settlement offers and appeals before the Board of Tax and Land Appeals. All of those dollars are dollars that won't be available to reduce taxation for 2006. (It would be prudent of selectmen to also set some money aside for abatements that may be granted later in the budget year.)

We'll experience the "triple whammie" of property taxes:

- (1) valuation down;**
- (2) spending up; and**
- (3) revenues down.**