

# Benefits of Lowering Property Taxes

## Key Budget Facts from the 2025 Budget

### Real Property Tax Revenue (2025):

- **Real Property Taxes (Current):** \$2,879,071.38
- **Real Estate Taxes (Prior):** \$325,000.00
- ➔ **Total from property taxes: \$3,204,071.38**

### Total 2025 General Fund Revenue (All Sources):

- **\$10,445,683.93**

So, **property taxes account for ~31% of the city's budgeted revenue.**

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## Scenario: Lower Property Tax Rate (Real Numbers)

### What if Bradford lowered the property tax by 25%?

- New property tax revenue =  $\$3.2\text{M} \times 75\% = \$2.4\text{M}$
- **Short-term loss:  $\approx$  \$800K**

BUT if we assume:

- **Increased investment, home improvements, and new development** result in a **20% increase in average property values** and
- **An increase of just 150 taxable properties** (new homes or revitalized structures),

Then:

### **New Tax Base Projection (Longer-Term)**

Factor	Before	After
Taxable Properties	4,000	4,150
Average Value	\$40,000	\$48,000
Tax Rate	3% → 2.25%	2.25%

→ **New Revenue = 4,150 × \$48,000 × 2.25% = \$4,492,800**

**That's a \$1.3M increase over the lower-tax scenario** and **nearly \$1.3M more than the current real estate tax revenue**—*even with a lower rate.*

### **Why It Works**

- **More housing** means more taxpayers
- **Higher home values** = more value taxed (even at lower rates)
- **Investment in property** reduces blight and raises surrounding values
- **Business-friendly taxes** attract entrepreneurs and increase mercantile/business privilege tax income (which combined accounted for

over **\$570K** in 2024 actuals)

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## Side Bonuses

Revenue Stream	2024 Actual
Earned Income Tax (Wage Tax)	\$847,600.06
Realty Transfer Tax	\$171,918.94
Local Services Tax (LST)	\$208,261.66
Mercantile License + Delinquent	\$172,839.19
Business Privilege Taxes (incl. delinquent)	\$260,670.63

**All of these could rise** if the population grows, businesses expand, and more transactions occur.

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## Summary: Risk vs Reward

Scenario	Annual Property Tax Revenue
Current Rate (3%)	\$3.2M
Lowered Rate (2.25%), no growth	\$2.4M
Lowered Rate + Modest Growth	\$4.5M+ 