Property Taxes:

State Trends and County Insights

National Association of County Collectors, Treasurers & Finance Officers | July 2026

Property Taxes:

State Trends and County Insights

National Association of County Collectors, Treasurers & Finance Officers | July 2026

County Landscape Project

State Policy Trends:

- Property Taxes: State Trends and County Insights
- State Preemption of Local Land Use Authority

Fundamentals of the County Landscape:

- County Land Use Authority
- Federalism and Counties

County Landscape Project

State Policy Trends:

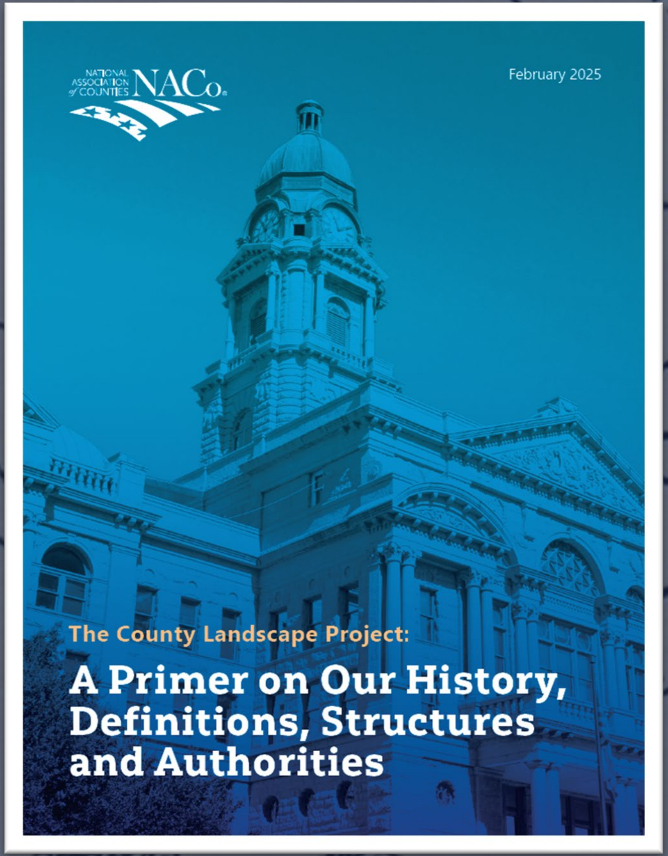
- Property Taxes: State Trends and County Insights
- State Preemption of Local Land Use Authority

Fundamentals of the County Landscape:

- County Land Use Authority
- Federalism and Counties

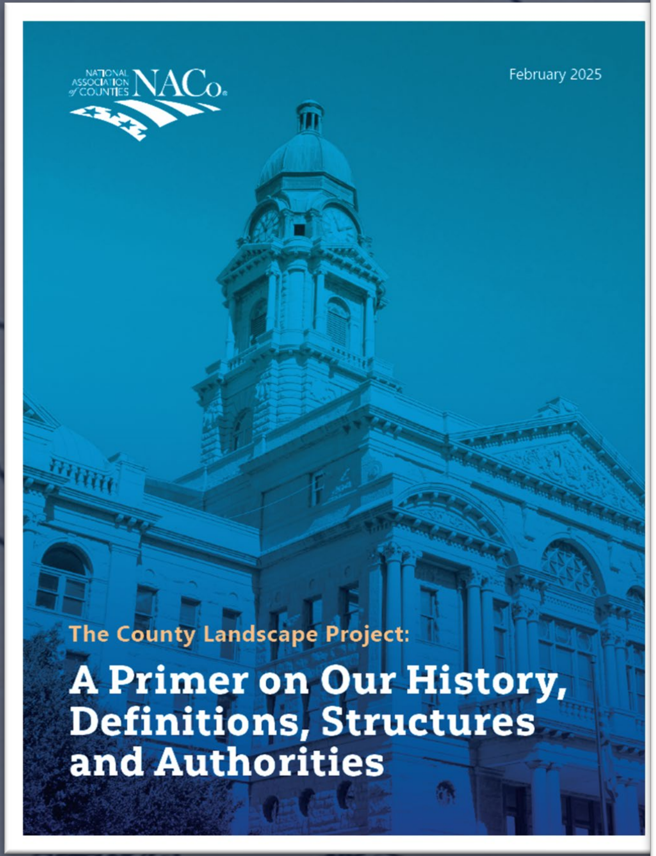
County Landscape Project

NATIONAL ASSOCIATION of COUNTIES NACo



County La

NATIONAL ASSOCIATION of COUNTIES NACo



Property Taxes in the U.S.

History and Context

History and Context

Property Taxes in the U.S.

Local assemblies of citizens constitute the strength of free nations*. Town meetings are to liberty what primary schools are to science; they bring it within the people's reach, they teach men how to use and how to enjoy it. A nation may establish a system of free government, but without the spirit of* ***municipal institutions*** *it cannot have the spirit of liberty.*

~ *Alexis de Tocqueville,* Democracy in America

The State of Play

Recent Trends in State Policy

PRELIMINARY DATA

The State of Play

Property Tax Reform Is A National Issue

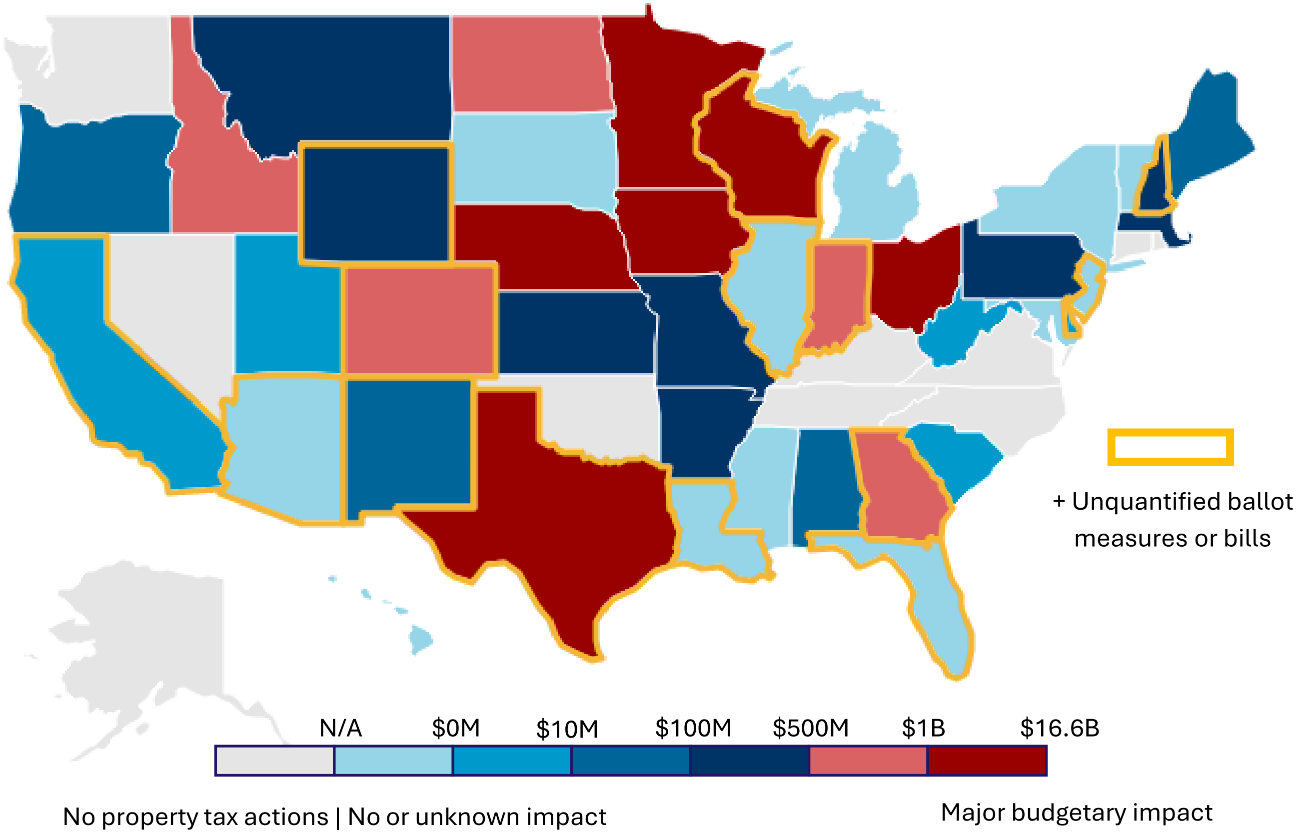
Fiscal impact of $15.3 billion in the next FY and **$14.5 billion** in the following FY

- $4.9 billion (16%) local impact
- $7.6 billion (25%) state impact
- $17.3 billion (58%) mixed/shared impact

- Does NOT include ballot measures or constitutional amendments without fiscal notes

168 Property Tax Actions in 40 States, with Varying Budgetary Impacts

Jan. 2020 – Jun. 2026 State Property Tax Actions and Estimated Two-Year Budgetary Impacts*



Sources: National Conference of State Legislatures (NCSL), "State Tax Actions Database," (2020-2025); NCSL, "Ballot Measures Database," (2020-2025); plus additional NACo research.

PRELIMINARY DATA

The State of Play

Property Tax Reform Is A National Issue

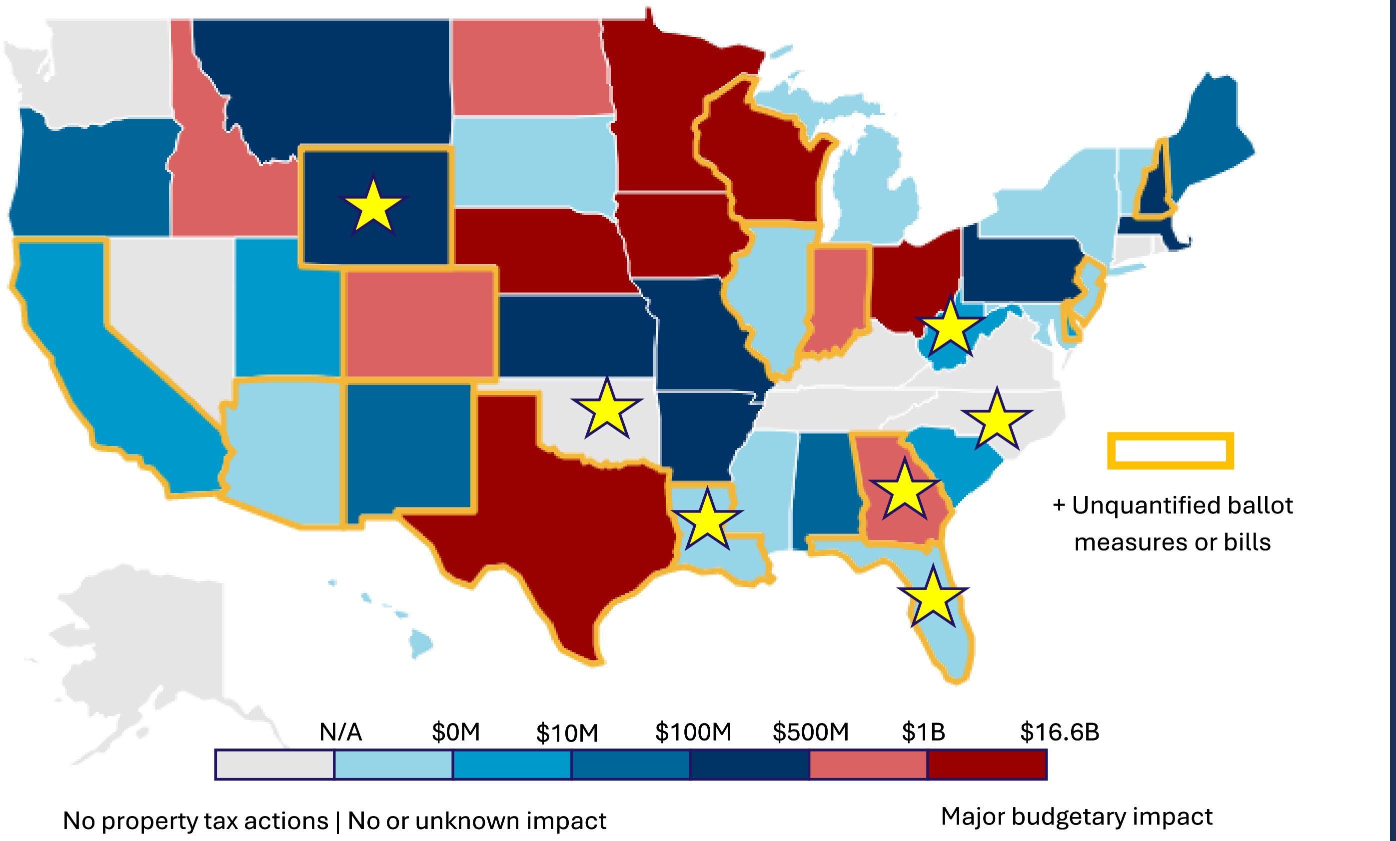
NATIONAL ASSOCIATION of COUNTIES NACo

★On the Nov. ballot:

+ FL: Non-school homestead exemption; assessment limit; phase out non-school property taxes
+ GA: Agricultural assessments
+ LA: Raise income limit for special assessment
+ NC: Levy limit
+ OK: Assessment limit
+ WV: Homestead/senior/disabled exemptions
+ WY: Homestead exemption

168 Property Tax Actions in 40 States, with Varying Budgetary Impacts

Jan. 2020 – Jun. 2026 State Property Tax Actions and Estimated Two-Year Budgetary Impacts*



Sources: National Conference of State Legislatures (NCSL), "State Tax Actions Database," (2020-2025); NCSL, "Ballot Measures Database," (2020-2025); plus additional NACo research.

PRELIMINARY DATA

NATIONAL ASSOCIATION of COUNTIES NACo

The State of Play

Most States Already Have Limits

Legislation Purpose	No.	2yr. Impact ($M)
Exemption	65	-$17,1979
Relief	26	-$3,562
Credit	16	-$3,262
Assessment	16	-$395
Refund	14	-$956
Reduction	7	-$470
Rate/Levy Limit	6	-$3,840

Sources: National Conference of State Legislatures (NCSL), "State Tax Actions Database," (2020-2025); NCSL, "Ballot Measures Database," (2020-2025); plus additional NACo research.

PRELIMINARY DATA

The State of Play

Most States Already Have Limits

Legislation Purpose	No.	2yr. Impact ($M)
Exemption	65	-$17,1979
Relief	26	-$3,562
Credit	16	-$3,262
Assessment	16	-$395
Refund	14	-$956
Reduction	7	-$470
Rate/Levy Limit	6	-$3,840

Sources: National Conference of State Legislatures (NCSL), "State Tax Actions Database," (2020-2025); NCSL, "Ballot Measures Database," (2020-2025); plus additional NACo research.

PRELIMINARY DATA

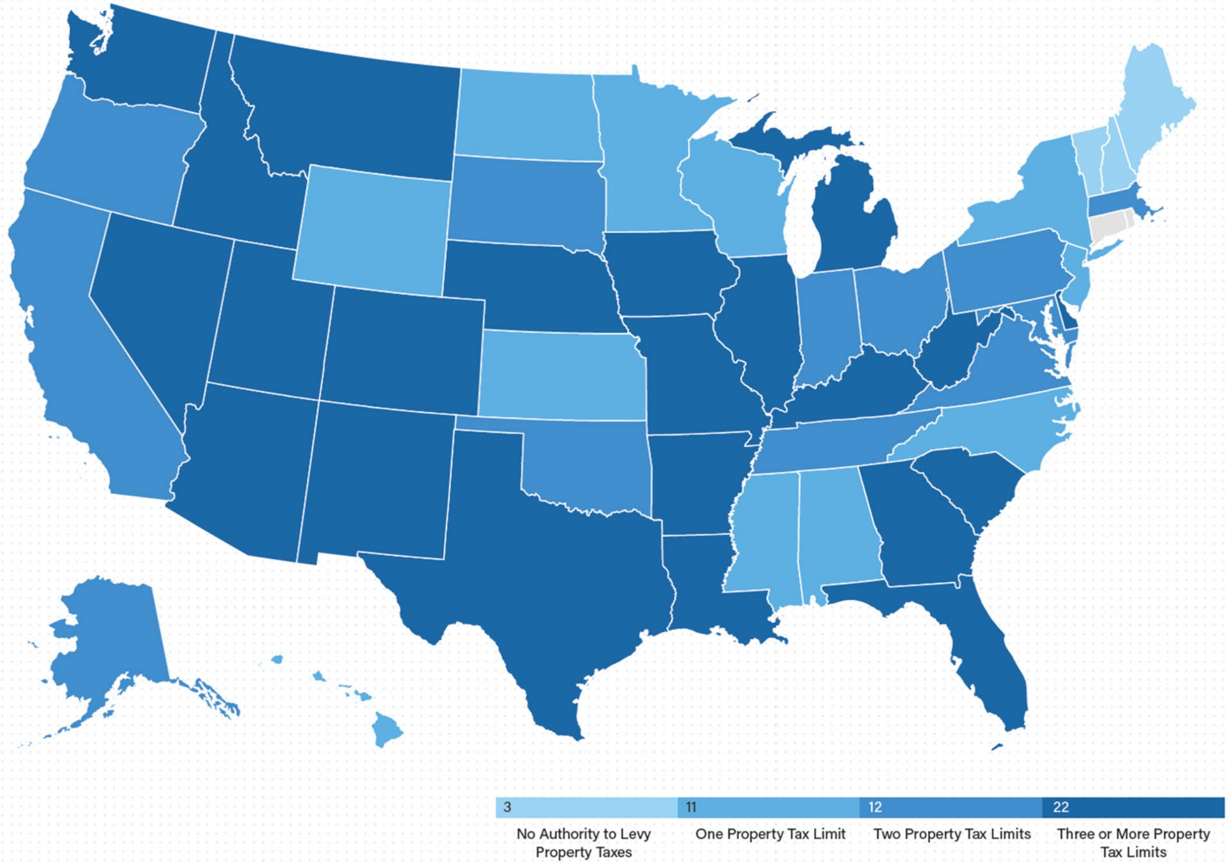
The State of Play

Most States Already Have Limits

Legislation Purpose
Exemption
Relief
Credit
Assessment
Refund
Reduction
Rate/Levy Limit

Sources: National Conference of State Legislatures (NCSL), “Sta
Database,” (2020-2025); plus additional NACo research.

State Property Tax Limitations for Counties



Source: *NACo interviews with state associations, as well as county and state officials; NACo analysis of state legislation. Updated as of 2017.*
Note: *Property tax limitations are state-imposed limitations on the ability of counties to raise property tax revenue. These property tax limitations encompass the following manifestations: (1) rate limits, (2) levy limits, (3) assessment limits and (4) tax freezes and rollbacks.*

The State of Play

Not All Limits Are Effective

Types of Limits	Impact	Fiscal Burden
Rate Limit: Cap on specific tax rate	*Ineffective in growing housing market*	Local
Levy Limit: Limits total local revenue growth	*Effective, but must be paired with optional voter override*	Local
Assessment Limit: Limits increases in assessed value	*Places burden on new homebuyers; discourages moving or selling*	Local
Fractional Assessed Value (Assessment Ratio): Artificially lowers assessed values	*Obscures calculations and shifts burden to different types of property*	Local, or shifts tax burden around

PRELIMINARY DATA

The State of Play

Relief Measures Were Most Common

+ **121 of the 168 recent policy actions (72%)** increased relief measures

Legislation Purpose	No.	2yr. Impact ($M)
Exemption	65	-$17,1979
Relief	26	-$3,562
Credit	16	-$3,262
Assessment	16	-$395
Refund	14	-$956
Reduction	7	-$470
Rate/Levy Limit	6	-$3,840

Sources: National Conference of State Legislatures (NCSL), "State Tax Actions Database," (2020-2025); NCSL, "Ballot Measures Database," (2020-2025); plus additional NACo research.

The State of Play

Relief Measures Were Most Common

+ **121 of the 168 recent policy actions (72%)** increased relief measures

Legislation Purpose	No.	2yr. Impact ($M)
Exemption	65	-$17,1979
Relief	26	-$3,562
Credit	16	-$3,262
Assessment	16	-$395
Refund	14	-$956
Reduction	7	-$470
Rate/Levy Limit	6	-$3,840

Sources: National Conference of State Legislatures (NCSL), "State Tax Actions Database," (2020-2025); NCSL, "Ballot Measures Database," (2020-2025); plus additional NACo research.

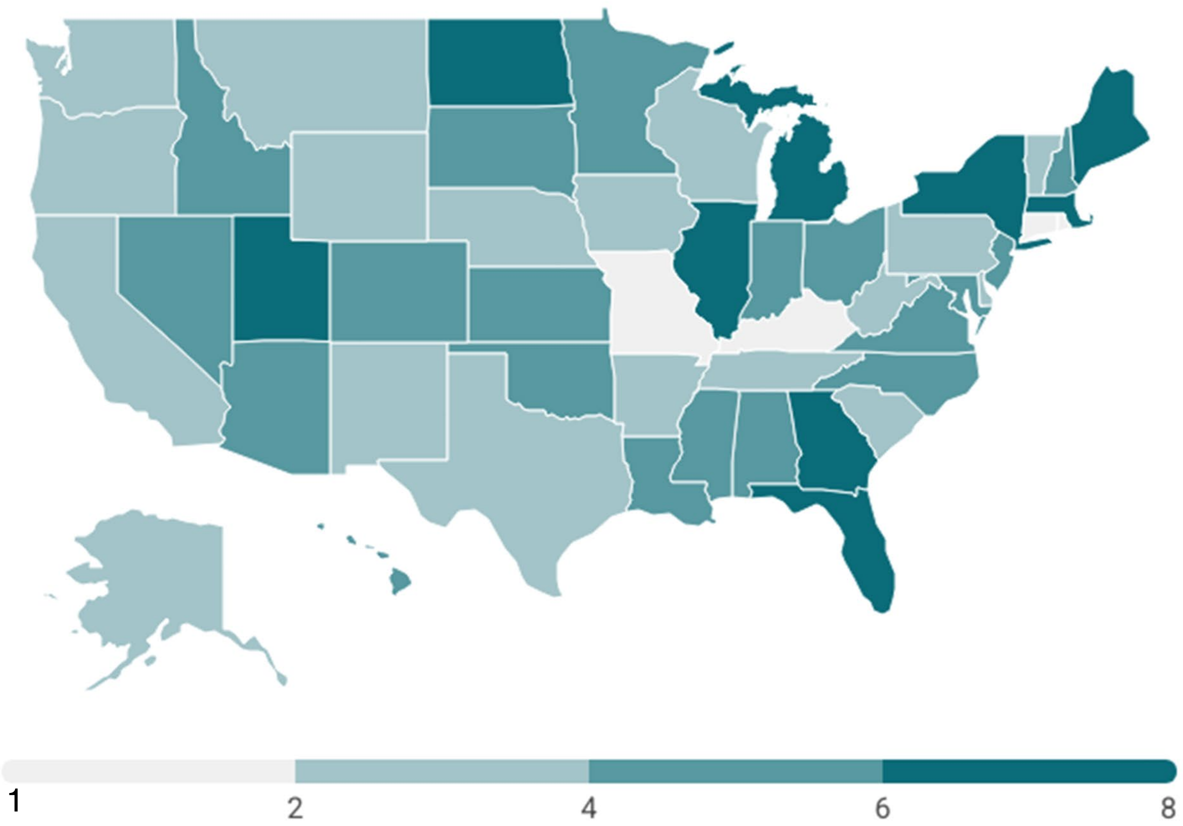
NATIONAL ASSOCIATION of COUNTIES NACo

The State of Play

Relief Measures Were Most Common

Legislation Purpose
Exemption
Relief
Credit
Assessment
Refund
Reduction
Rate/Levy Limit

No. of Relief Measures, inc. Exemptions, Circuit Breakers, Credits & Assessment Freezes



Sources: National Conference of State Legislatures (NCSL), “State T

Database,” (2020-2025); plus additional NACo research.

The State of Play

Someone Needs to Pay

Types of Relief	Impact	Fiscal Burden
Exemption: Lowers taxable value of a property	*Increases (state or local) taxes for others*	Varies – local, state or mixed
Circuit Breaker: Lowers total property tax bill based on income	*Increases (state) taxes for others*	State
Deferral: Option to delay payment of taxes	*May increase taxes for others (only in theory)*	State or local
Truth-in-Taxation Law: Requires a notice to increase rates or levies	*Functions as a limit in practice; discourages spending increases*	Local

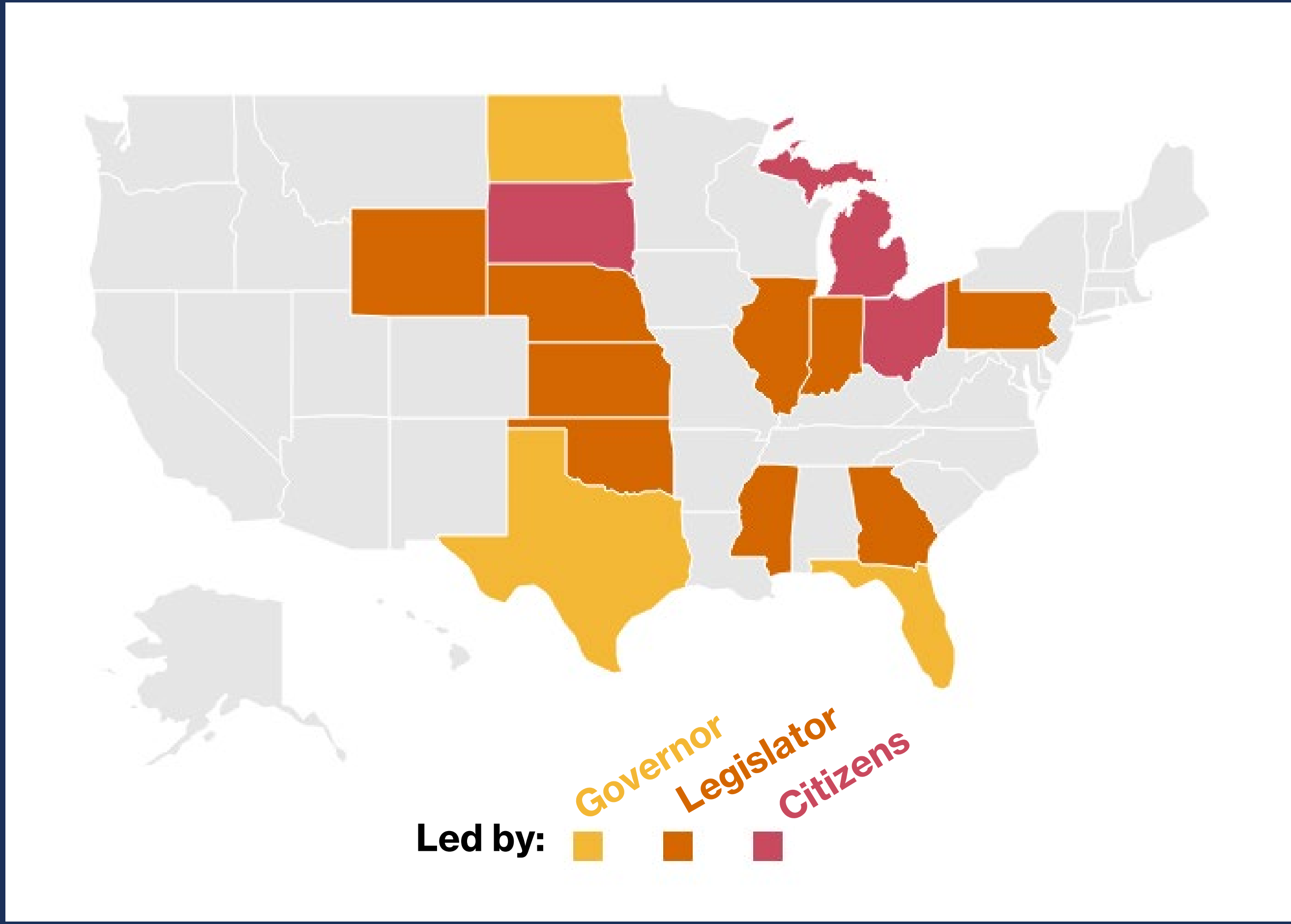
PRELIMINARY DATA

The State of Play

At Least 15 States Have Discussed Elimination Within the Past Two Years

Replacement options:

- Direct fees for services (GA)
- Repealing sales tax exemptions (IN, KS)
- Sales/consumption taxes (NE, OK, SD, WY)
- State oil revenue fund (ND)
- Tax on international remittances and on university endowments (PA)
- State funds (TX)



Tax Foundation, "*There's No Good Way to Pay for Property Tax Repeal*", Oct. 2025

PRELIMINARY DATA

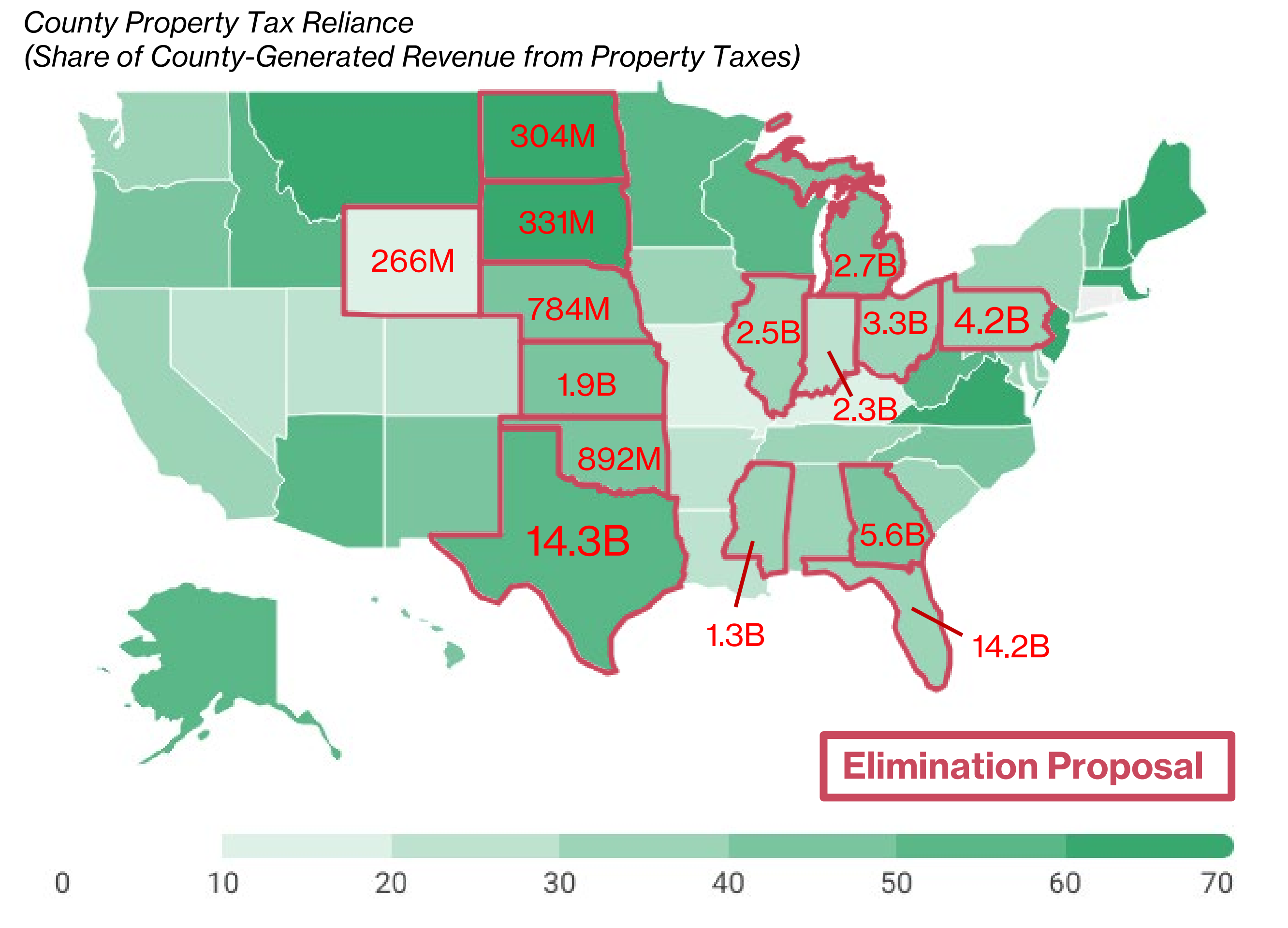
The State of Play

At Least 15 States Have Discussed Elimination Within the Past Two Years

Replacement options:

+ Direct fees for services (GA)
+ Repealing sales tax exemptions (IN, KS)
+ Sales/consumption taxes (NE, OK, SD, WY)
+ State oil revenue fund (ND)
+ Tax on international remittances and on university endowments (PA)
+ State funds (TX)

Tax Foundation, "*There's No Good Way to Pay for Property Tax Repeal*", Oct. 2025



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2022

PRELIMINARY DATA

The State of Play

At Least 15 States Have Discussed Elimination Within the Past Two Years

NATIONAL ASSOCIATION of COUNTIES NACo

Table 1.2

Decreases in State and Local Taxes During Two Recent Recessions

Inflation-Adjusted Per Capita Taxes

Property taxes are a stable revenue source over the business cycle, and do not decline nearly as much as sales and income taxes during recessions, even when housing prices decline.

Source: U.S. Department of Commerce 2020.

	2001 Recession			Great Recession, 2007–2009		
	Property	Sales	Income	Property	Sales	Income
% Change	**No Drop**	**-4.6%**	**-18.2%**	**-9.0%**	**-19.7%**	**-20.5%**
Peak	N/A	2000: Q4	2000: Q4	2009: Q1	2006: Q4	2007: Q3
Trough	N/A	2003: Q1	2003: Q2	2013: Q1	2011: Q3	2010: Q2

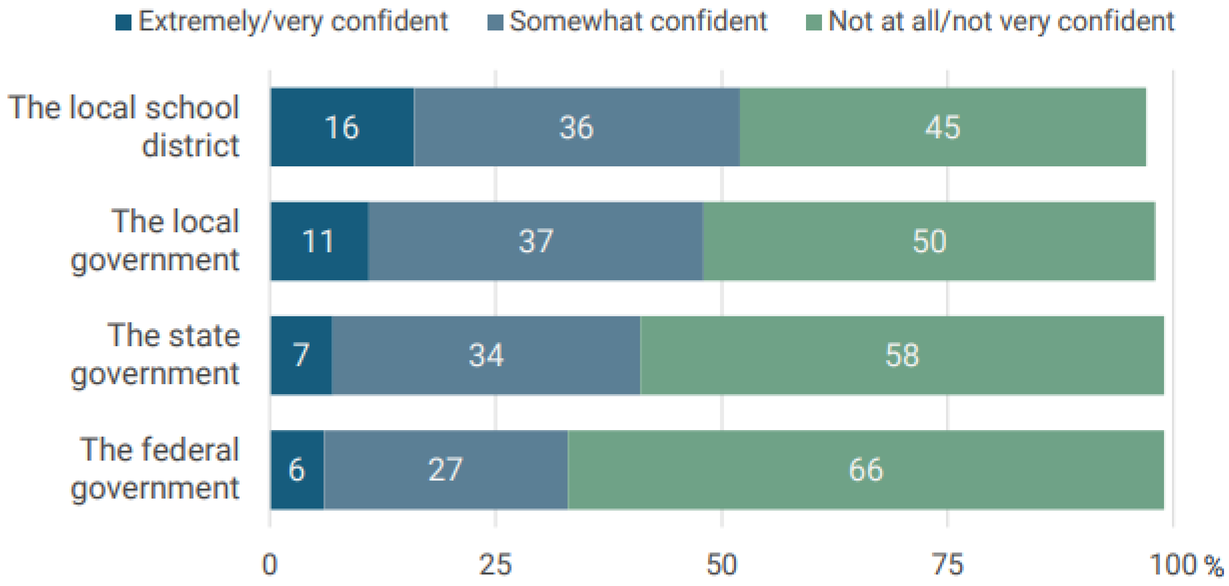
Notes: Real per capita taxes calculated using CPI-U (end of quarter) and Total Population (end of quarter). Data are available from FRED (series are CPIAUCSL and POP): fred.stlouisfed.org.

Source: Adam Langley and Joan Youngman, "Property Tax Relief for Homeowners," Lincoln Institute of Land Policy (2021).

Why Property Taxes?

More Confidence in Local Government Than State/Federal

- **1 in 3** U.S. adults say they **do not understand** local property taxes
- Most adults **(59%)** say local property taxes are **unfair**
- Two-thirds **(69%)** consider their local property tax to be **too high**
- Less than a quarter **(23%)** **believe they receive valuable services**



Question: How much confidence do you have in each of the following to spend the taxes that you pay in the best interest of people like you?
Source: AP-NORC Poll conducted December 14-18, 2023 with 1,024 adults nationwide.

THE UNIVERSITY OF CHICAGO HARRIS SCHOOL OF PUBLIC POLICY AP NORC

APNORC.org

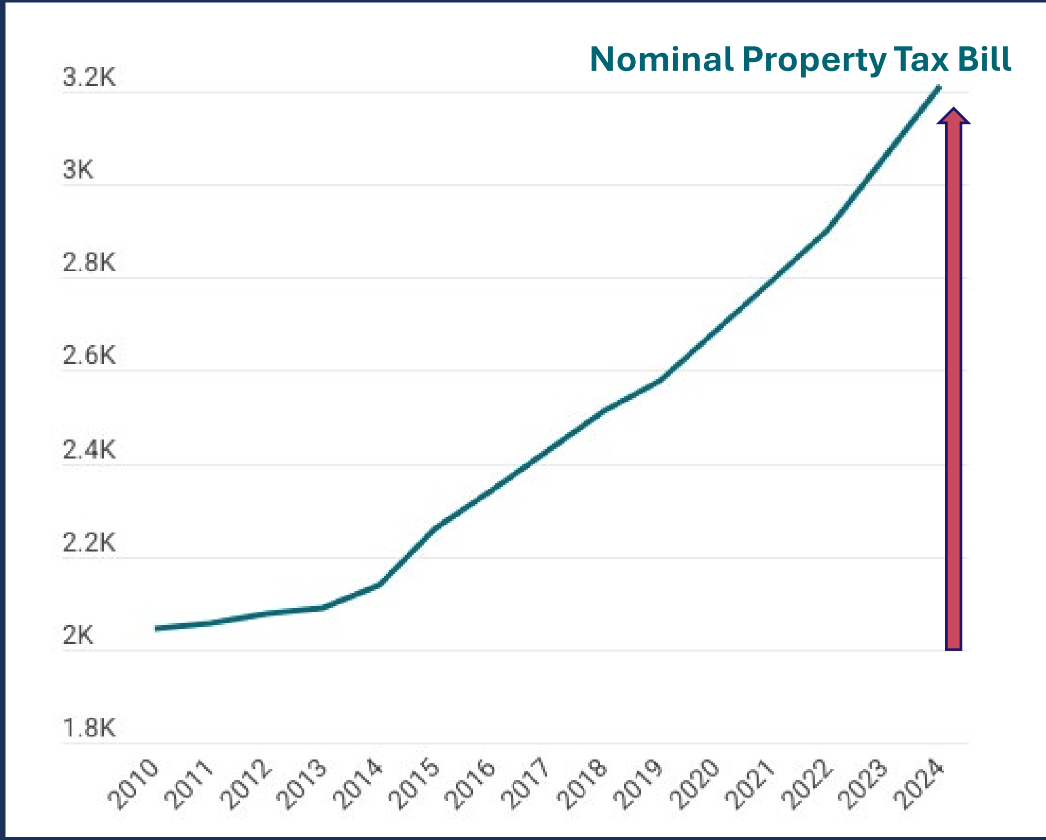
PRELIMINARY DATA

NATIONAL ASSOCIATION of COUNTIES NACo

Why Property Taxes?
Major Tax Bill Increases

Property Tax Bills Increased by Over 50 Percent

Median Property Tax Per Homeowner, 2010-2024



Property Tax Bill Increase:
$1,168 (57% increase)

Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024.

Note: Data for 2020 was not released due to the COVID-19 pandemic.

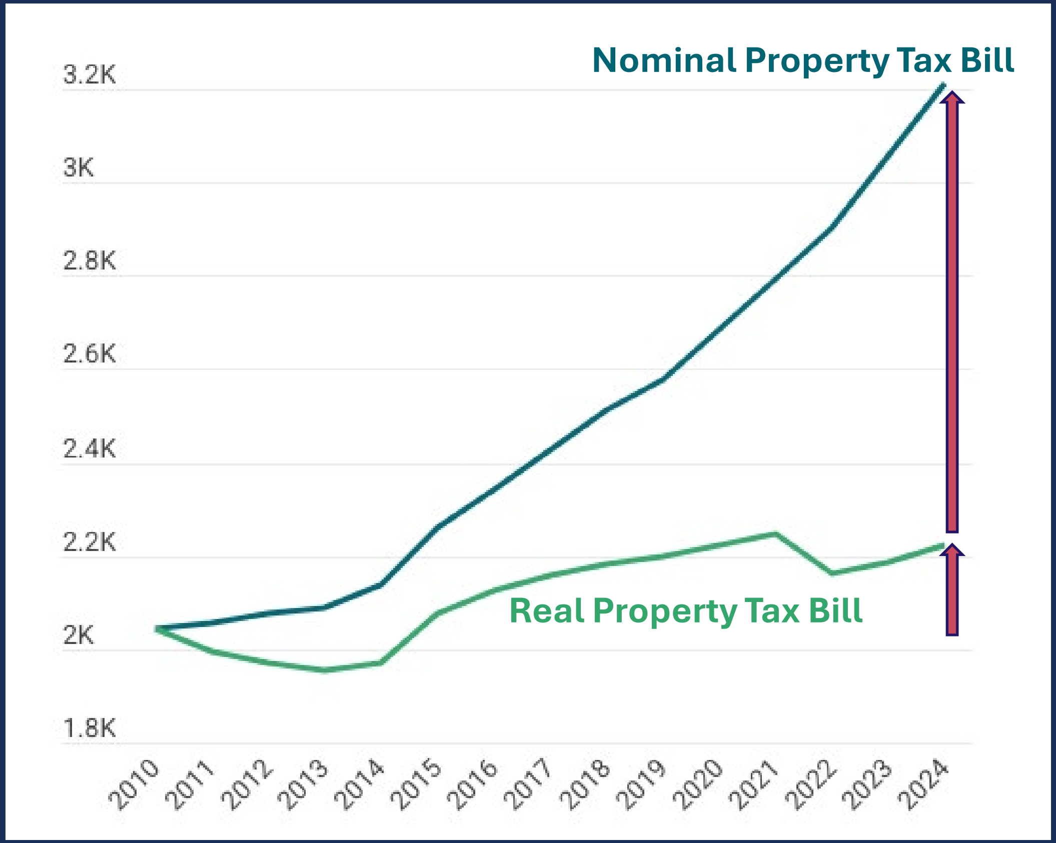
PRELIMINARY DATA

Why Property Taxes?
Major Tax Bill Increases

NATIONAL ASSOCIATION of COUNTIES NACo

Inflation Caused Large Increases in Property Tax Bills

Median Property Tax Per Homeowner, 2010-2024



Due to Inflation: **$986**

Actual Increase: **$182**

Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024; NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024. Inflation adjusted to 2010 Dollars Using BLS's CPI.

Note: Data for 2020 was not released due to the COVID-19 pandemic.

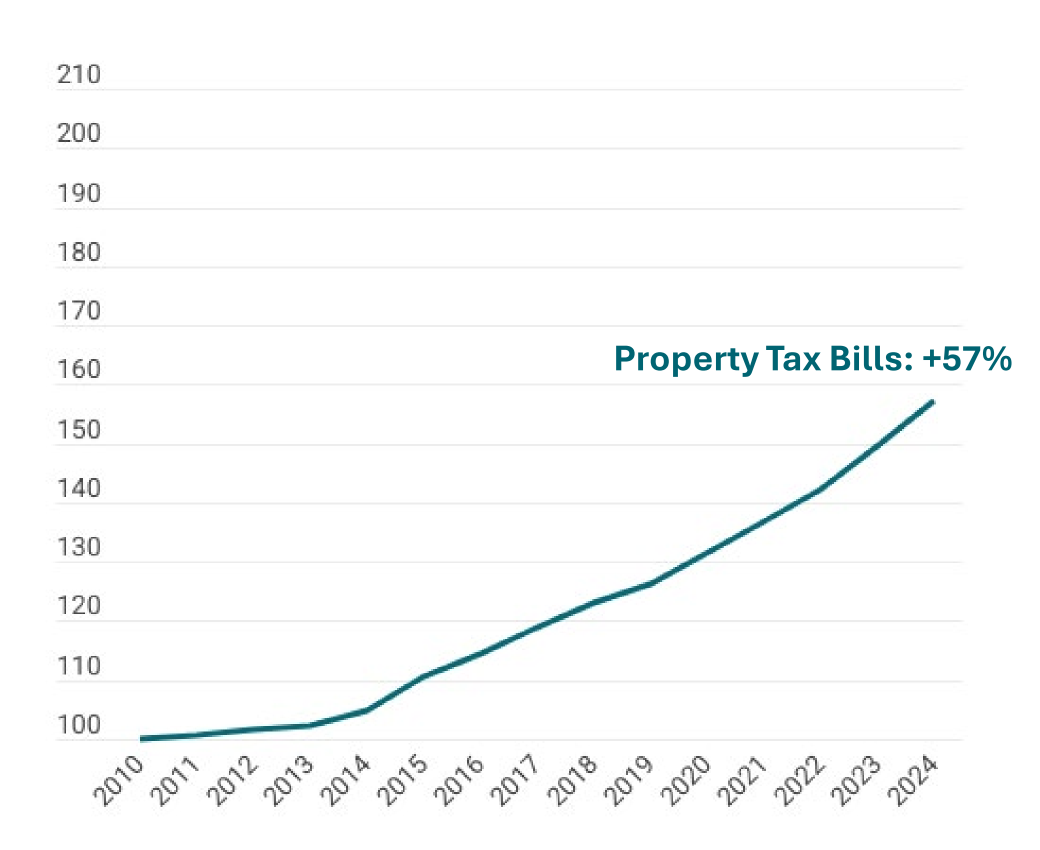
PRELIMINARY DATA

Why Property Taxes?

Major Tax Bill Increases

Property Tax Bills Increased by Over 50 Percent

Median Property Tax Per Homeowner, 2010-2024



Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024

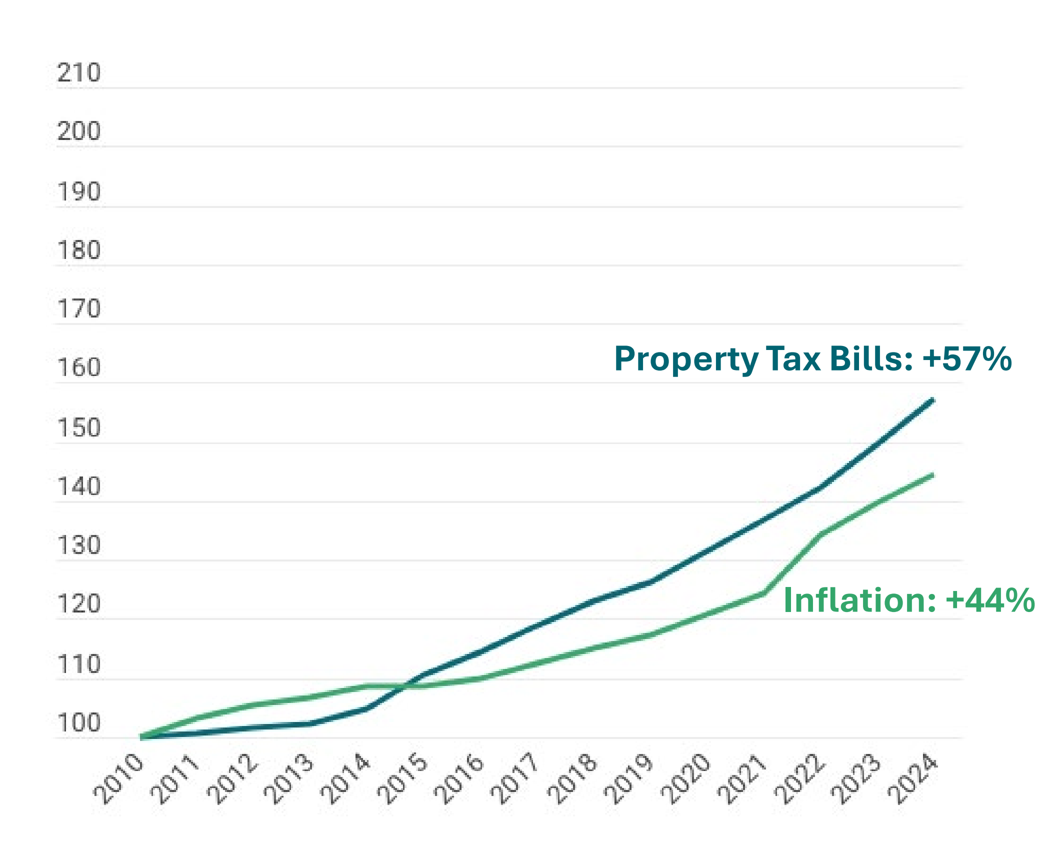
Note: Data for 2020 was not released due to the COVID-19 pandemic.

Why Property Taxes?

Major Tax Bill Increases

Inflation Was a Major Driver

Median Property Tax Per Homeowner + Inflation (CPI), 2010-2024



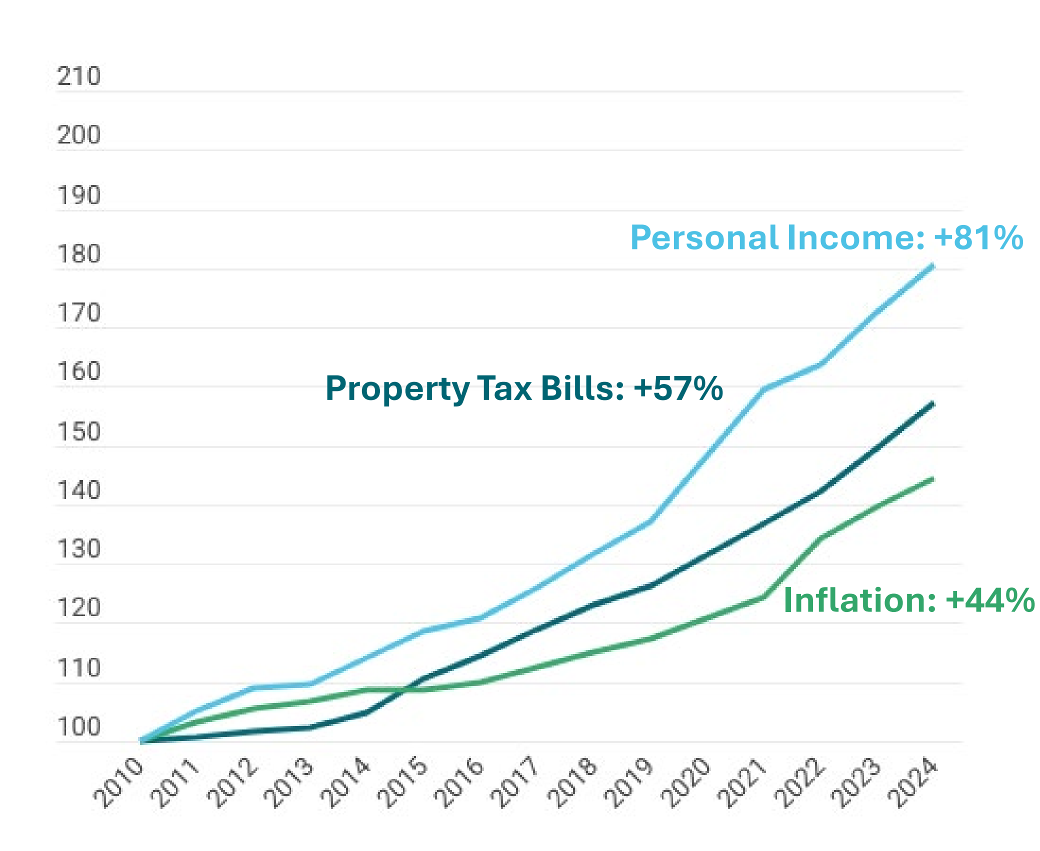
Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024; NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024.

Note: Data for 2020 was not released due to the COVID-19 pandemic.

Why Property Taxes?
Major Tax Bill Increases

Income Levels Rose More Quickly

Median Property Tax Per Homeowner, Inflation (CPI), Personal Income 2010-2024



Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024; NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024.

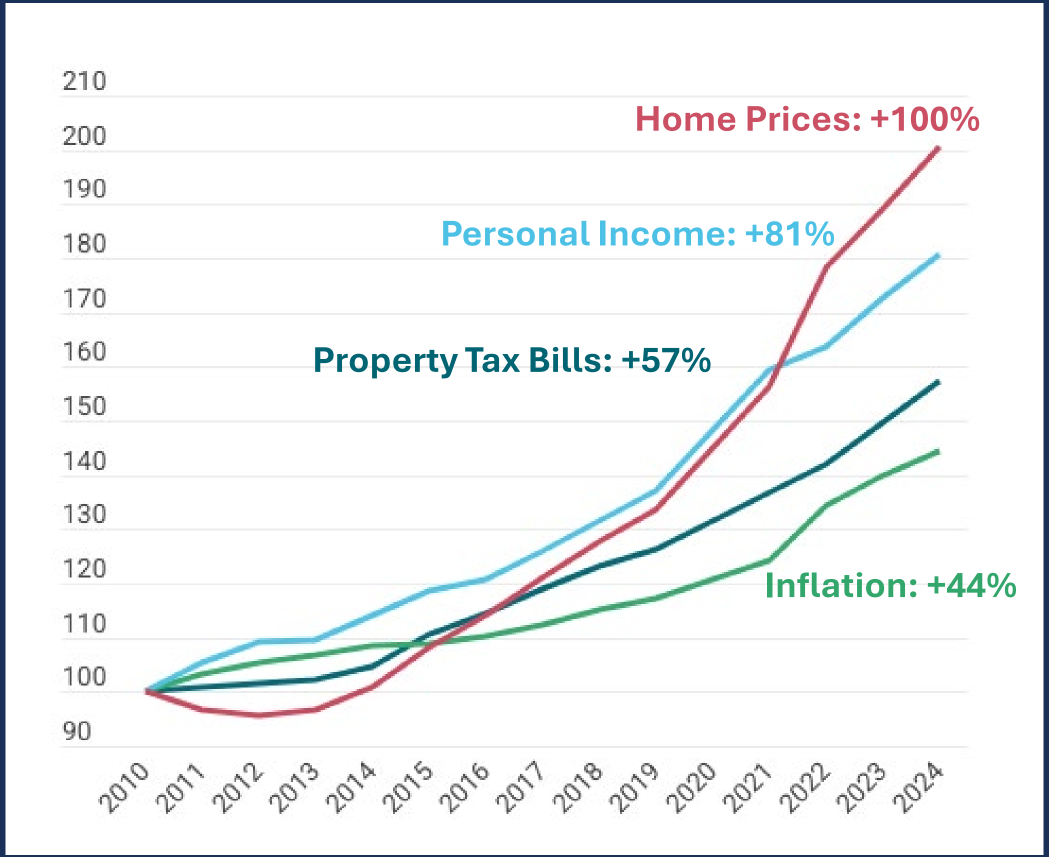
Note: Data for 2020 was not released due to the COVID-19 pandemic.

Why Property Taxes?

Major Tax Bill Increases

While Home Prices Skyrocketed

Median Property Tax Per Homeowner, Inflation (CPI), Personal Income, Median Home Prices 2010-2024



Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024; NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024.

Note: Data for 2020 was not released due to the COVID-19 pandemic.

PRELIMINARY DATA

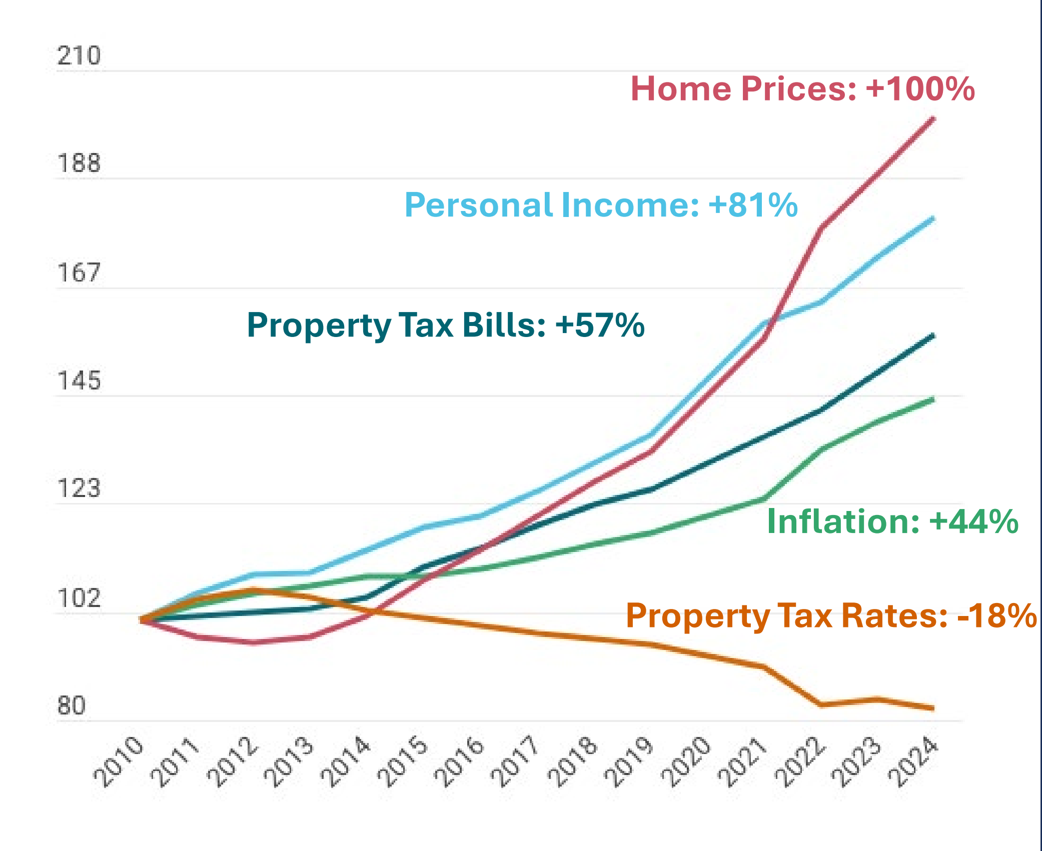
NATIONAL ASSOCIATION of COUNTIES NACo

Why Property Taxes?

Major Tax Bill Increases

And Local Governments Adjusted the Rates

Median Property Tax Per Homeowner, Inflation (CPI), Personal Income, Median Home Prices, Effective Property Tax Rate 2010-2024



Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024; NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024.

Note: Data for 2020 was not released due to the COVID-19 pandemic.

PRELIMINARY DATA

Why Property Taxes?

Major Tax Bill Increases

Rate-Driven vs. Budget-Driven

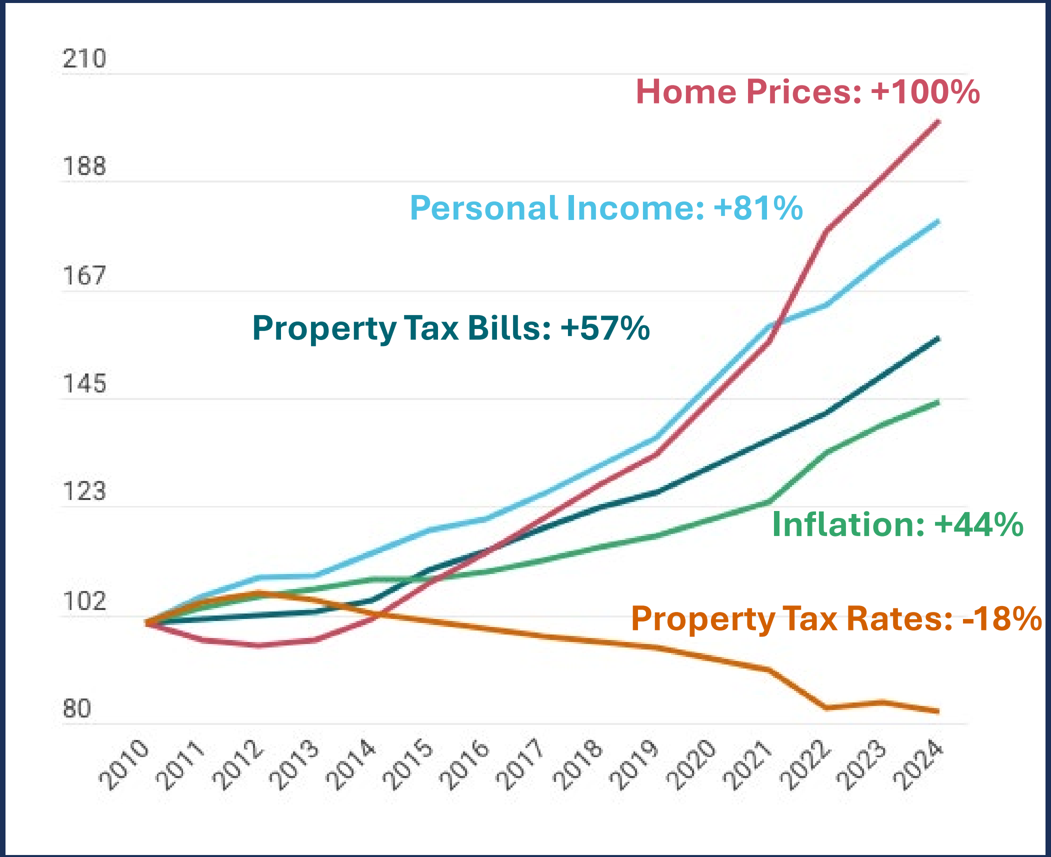
+ Changes in home prices vs. property tax bills
+ Cost of local government services rose more quickly than cost of living
  - 49% vs. 44%, respectively

Types of Property Tax Limits

+ Rate & Assessment Limits vs. Levy Limits

And Local Governments Adjusted the Rates

Median Property Tax Per Homeowner, Inflation (CPI), Personal Income, Median Home Prices, Effective Property Tax Rate 2010-2024



Source: NACo Analysis of U.S. Census Bureau, American Community Survey 2010-2024; NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024.

Note: Data for 2020 was not released due to the COVID-19 pandemic.

PRELIMINARY DATA

Why Property Taxes?
Major Tax Bill Increases

Rate-Driven vs. Budget-Driven

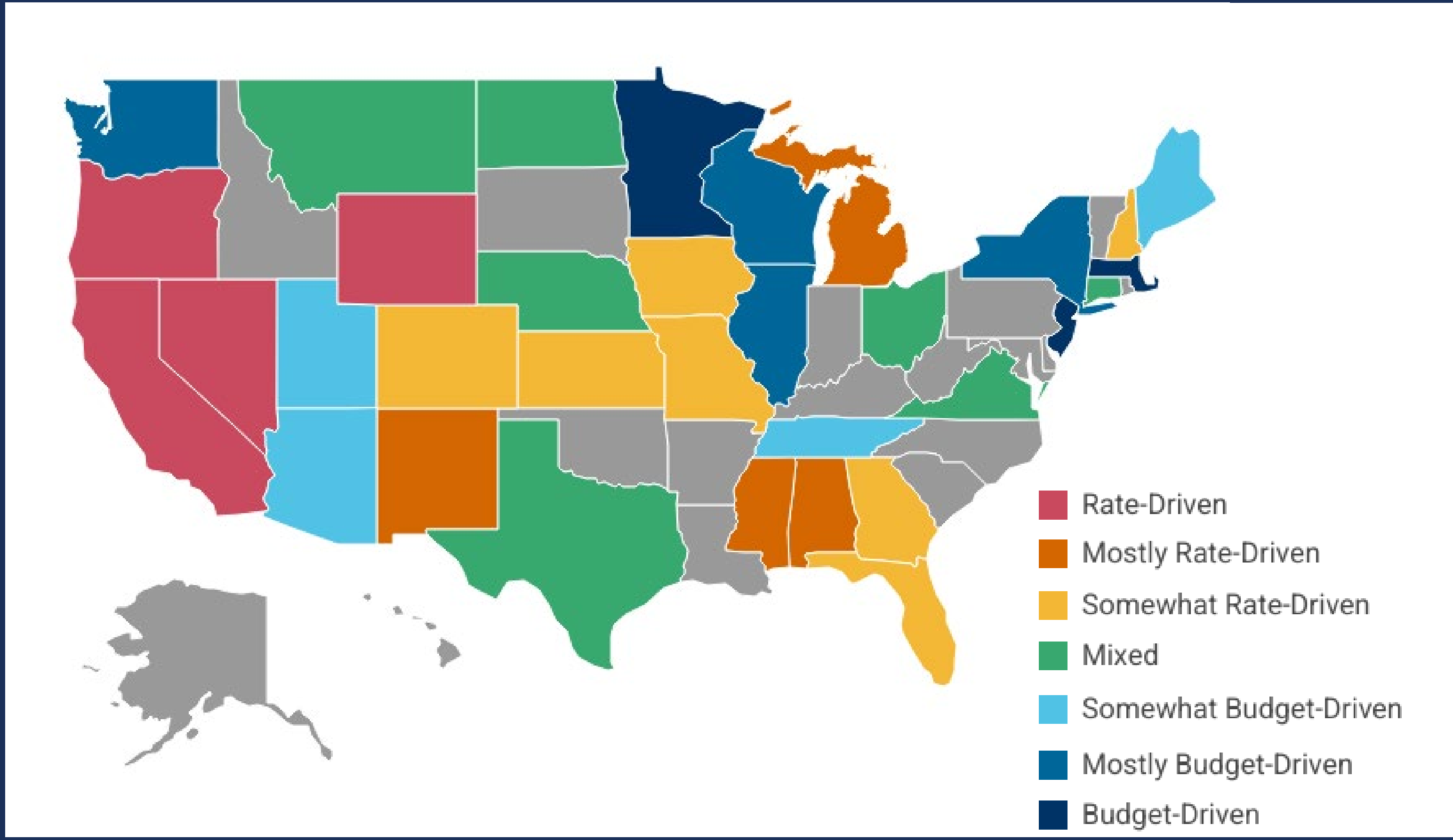
+ Changes in home prices vs. property tax bills
+ Cost of local government services rose more quickly than cost of living
  - 49% vs. 44%, respectively

Types of Property Tax Limits

+ Rate & Assessment Limits vs. Levy Limits

More States Tend Toward a Rate-Driven System In Practice

Rate-Driven vs. Budget-Driven Systems, by State (in practice)



Source: Lincoln Institute of Land Policy, "When Property Values Rise, Do Property Taxes Rise Too?" (Brosy & Langley), Table 1, p. 7. Values are the % change in property tax levy and mill rate in response to a 1% change in assessed values (AV), 2000–2016 county-level data, inflation-adjusted. System labels altered by NACo.

PRELIMINARY DATA

Why Property Taxes?

Sales and Income Taxes Higher Than Property Taxes

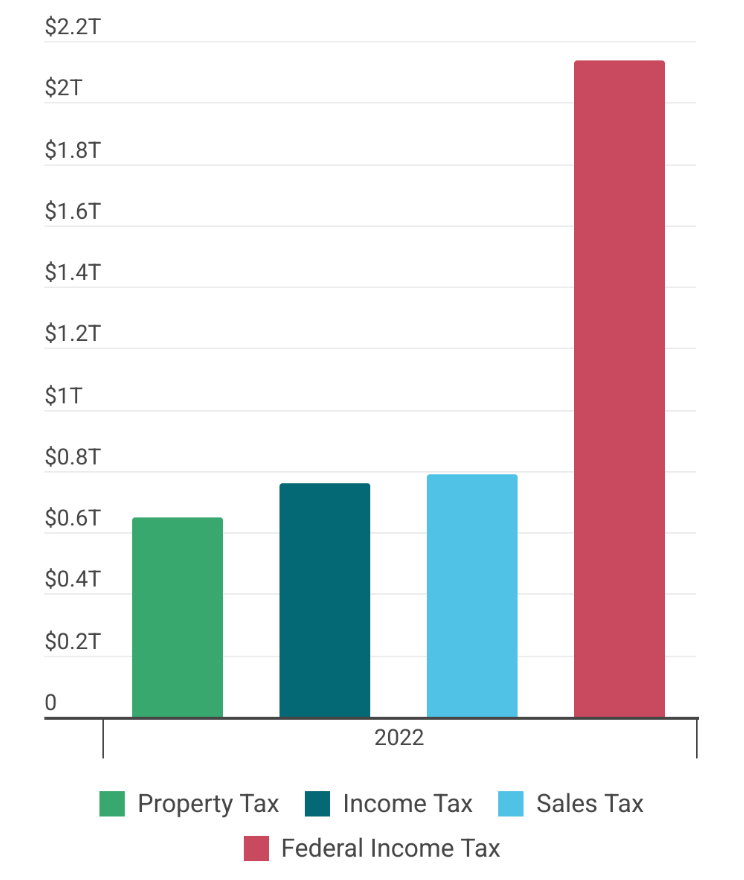
Residents pay:

+ **$111 billion more** in state/local income tax
  - Individual + corporate income taxes
+ **$140 billion more** in state/local sales tax
  - General + specific sales taxes
+ **$1.5 trillion more** in federal income taxes

Property taxes are **more noticeable**

+ Incremental payments vs. lump sum

Total State and Local Property, Sales and Incomes Taxes plus Federal Income Taxes (2022)



Source: NACo Analysis of U.S. Census Bureau Annual Survey of State and Local Government Finances, 2022 (compiled by the Urban Institute via State and Local Finance Data: Exploring the Census of Governments).

PRELIMINARY DATA

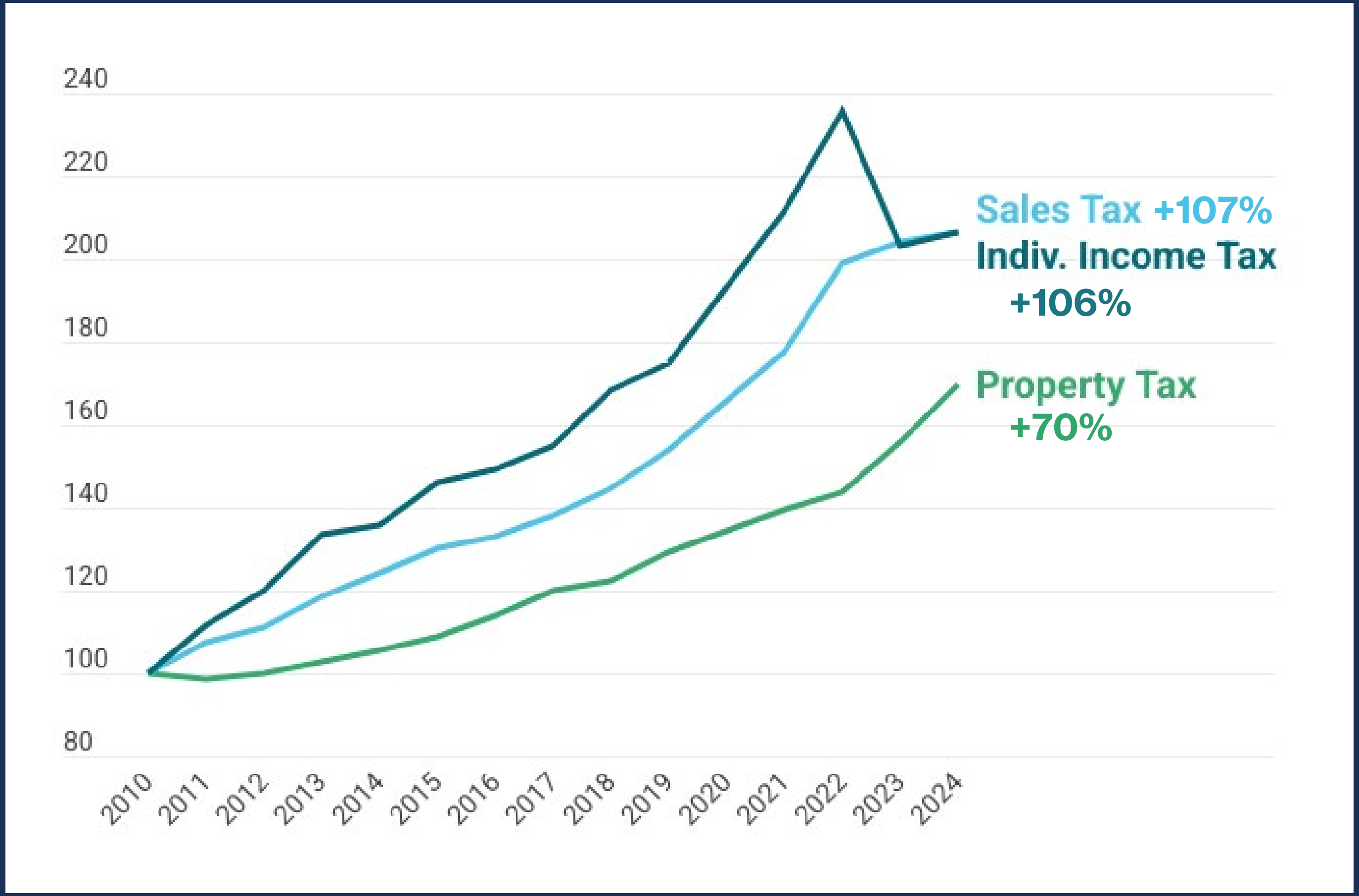
Why Property Taxes?

Sales and Income Taxes Higher Than Property Taxes

Residents pay:

- + **$111 billion more** in state/local income tax
    - Individual + corporate income taxes
- + **$140 billion more** in state/local sales tax
    - General + specific sales taxes
- + **$1.5 trillion more** in federal income taxes

State and Local Property, Sales and Incomes Taxes (2010-2024)



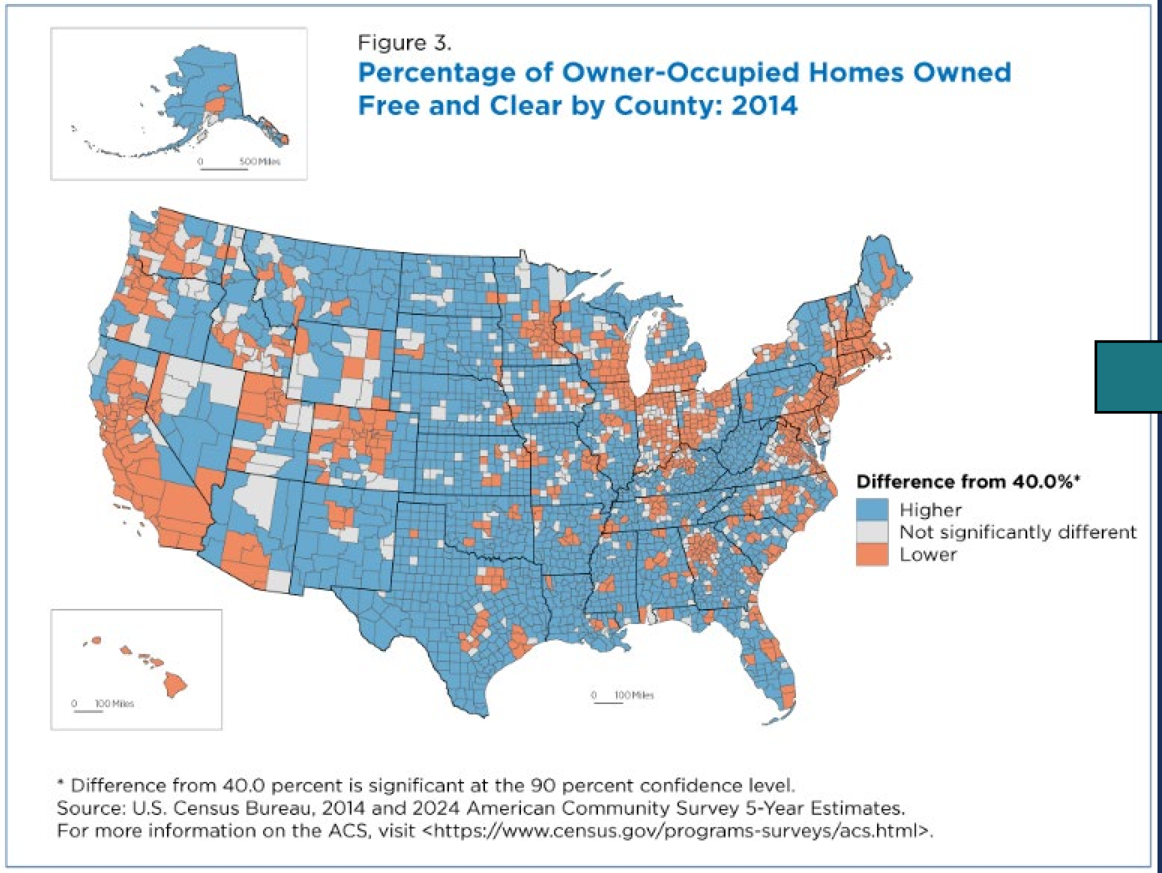
Source: NACo analysis of U.S. Census Bureau, Quarterly Summary of State & Local Tax Revenue, 2010-2024.

PRELIMINARY DATA

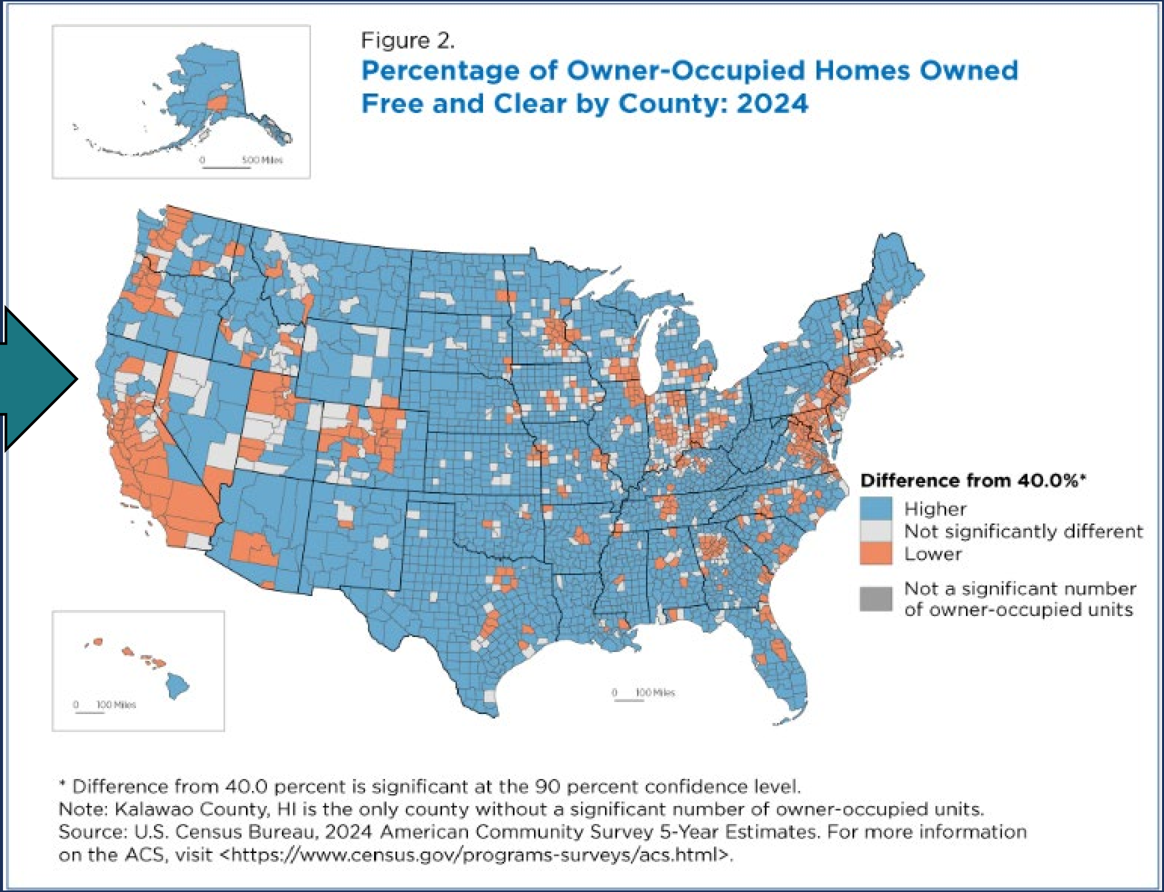
Why Property Taxes?

Property Tax Becoming More Visible

2014: More Than 40 Percent of Homeowners Were Mortgage Free in 1,870 Counties



2024: More Than 40 Percent of Homeowners Were Mortgage Free in 2,204 Counties – an Increase of 334 Counties



PRELIMINARY DATA

Why Property Taxes?

Property Tax Becoming More Visible

NATIONAL ASSOCIATION of COUNTIES NACo

2014: More Than 40 Percent of Homeowners Were Mortgage Free in 1,870 Counties

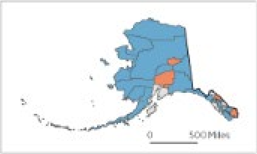


Figure 3.
Percentage of Owner-Occupied Homes Owned Free and Clear by County: 2014

* Difference from 40.0 percent is significant at the 90 percent confidence level.
Source: U.S. Census Bureau, 2014 and 2024 American Community Survey 5-Year Estimates.
For more information on the ACS, visit <https://www.census.gov/programs-surveys/acs.html>.

2024: More Than 40 Percent of Homeowners Were Mortgage Free in 2,204 Counties – an Increase of 334 Counties

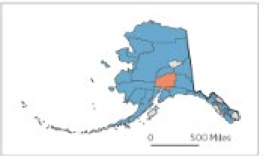


Figure 2.
Percentage of Owner-Occupied Homes Owned Free and Clear by County: 2024

* Difference from 40.0 percent is significant at the 90 percent confidence level.
Note: Kalawao County, HI is the only county without a significant number of owner-occupied units.
Source: U.S. Census Bureau, 2024 American Community Survey 5-Year Estimates. For more information on the ACS, visit <https://www.census.gov/programs-surveys/acs.html>.

From 2014 to 2024, the share of homes without a mortgage increased from 34 percent to 39 percent

PRELIMINARY DATA

NATIONAL ASSOCIATION of COUNTIES NACo

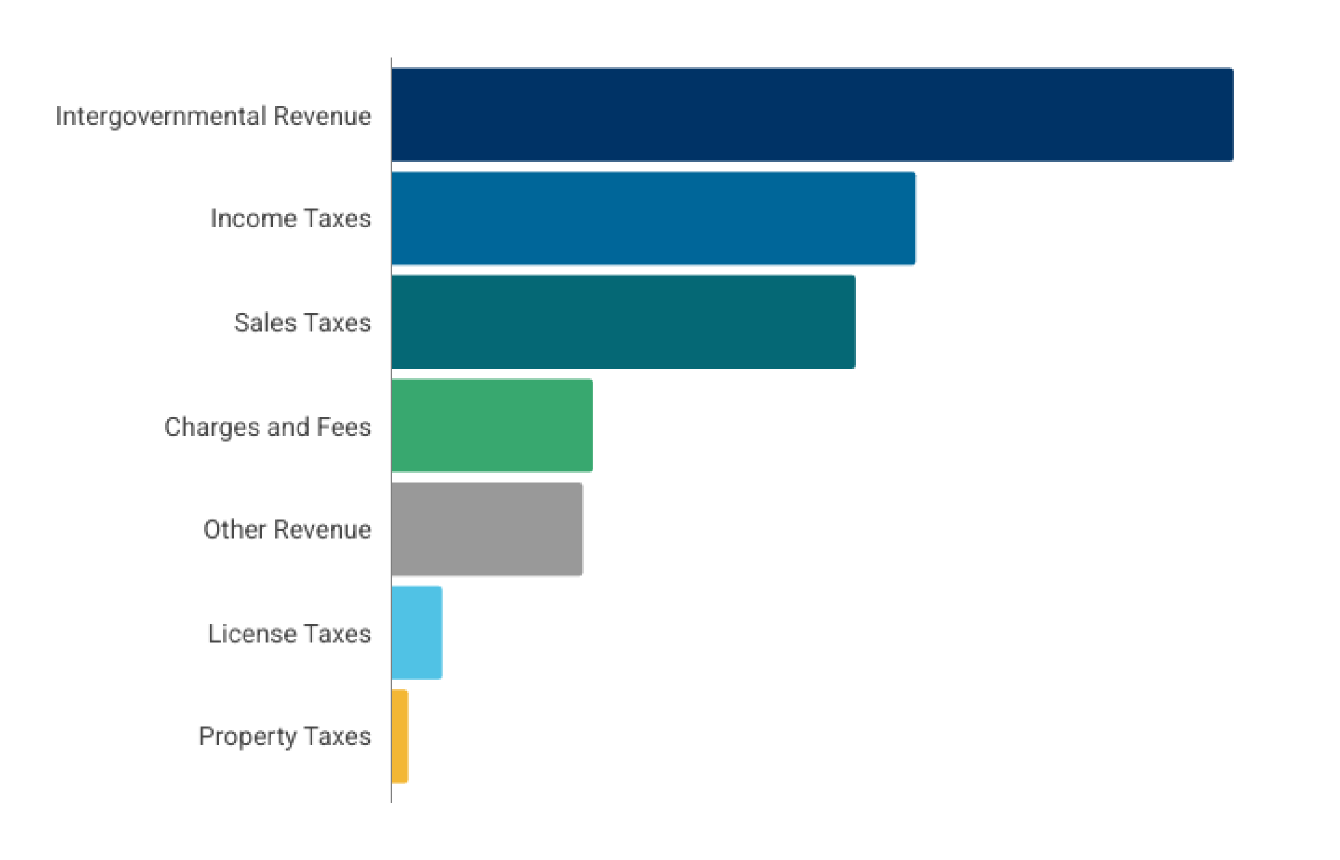
Why Property Taxes?

Political Vulnerability

- Property taxes **do not impact state budgets**
  + States rely on income and sales taxes
- Property taxes **do not impact the federal budget**
  + Federal government relies on income, capital gains, social security and payroll taxes

State Budgets Do Not Rely on Property Taxes

Breakdown of State Government Revenue, 2022



Source: NACo Analysis of U.S. Census Bureau Annual Survey of State and Local Government Finances, 2022 (compiled by the Urban Institute via State and Local Finance Data: Exploring the Census of Governments).

PRELIMINARY DATA

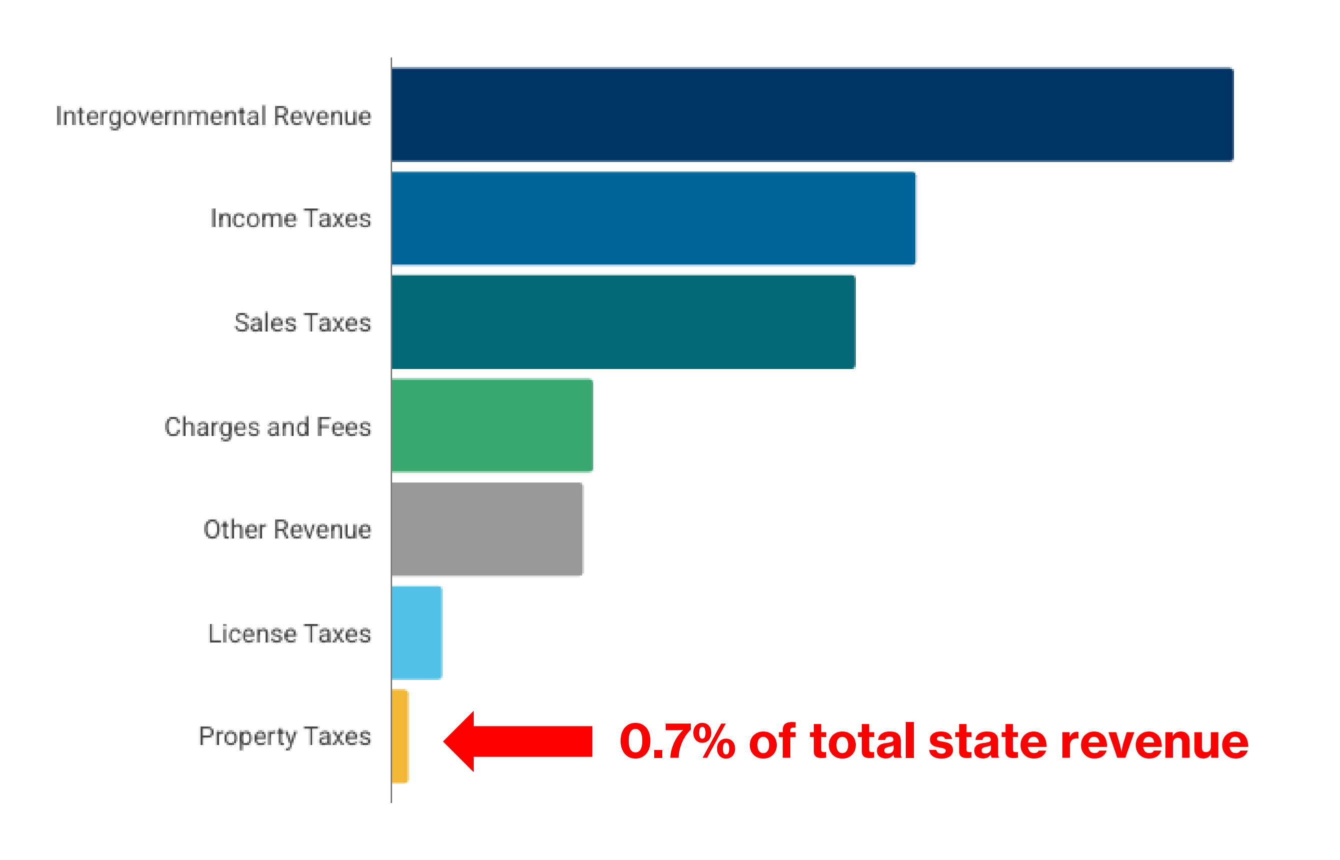
Why Property Taxes?

Political Vulnerability

- Property taxes **do not impact state budgets**
  + States rely on income and sales taxes
- Property taxes **do not impact the federal budget**
  + Federal government relies on income, capital gains, social security and payroll taxes

State Budgets Do Not Rely on Property Taxes

Breakdown of State Government Revenue, 2022



Source: NACo Analysis of U.S. Census Bureau Annual Survey of State and Local Government Finances, 2022 (compiled by the Urban Institute via State and Local Finance Data: Exploring the Census of Governments).

Property Taxes:

State Trends and County Insights

National Association of County Collectors, Treasurers & Finance Officers | July 2026

Property Taxes:

State Trends and County Insights

National Association of County Collectors, Treasurers & Finance Officers | July 2026

On the Ground

The Truth About Property Taxes for Local Communities

On the Ground

The Property Tax Formula

Assessed Property Value × **Tax Rate** = **Property Tax Bill**

On the Ground

The Property Tax Formula

Assessed Property Value × Tax Rate = Property Tax Bill

Assessed Property Value

- Assessment Ratio
- Assessment Limits / Freezes
- Exemptions

Tax Rate

- Rate Limit

Property Tax Bill

- Levy Limit
- Credits
- Circuit Breaker
- Deferral
- Refunds

On the Ground

Property Tax Rates Are Set Amidst a Complex System of Local Governance

NATIONAL ASSOCIATION of COUNTIES NACo

Balancing Act

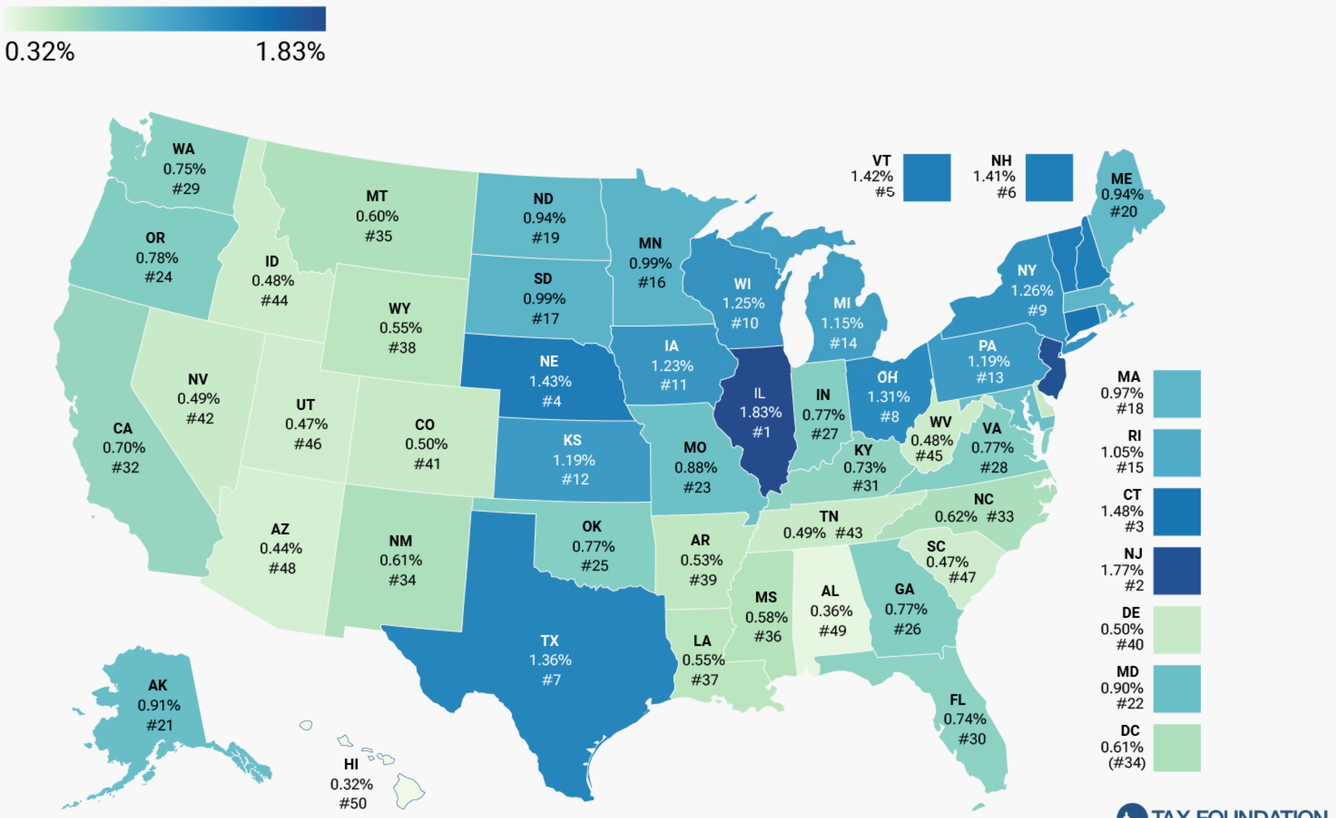
+ Counties keep property tax rates **as low as possible**, while providing for local needs

Local Decision

+ Some counties have higher rates because of **higher levels of service**
+ Some counties have higher rates because of **limited ability to leverage other revenue**

Final Property Tax Rates Vary Based on Service Needs and Governance Structure

Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2023

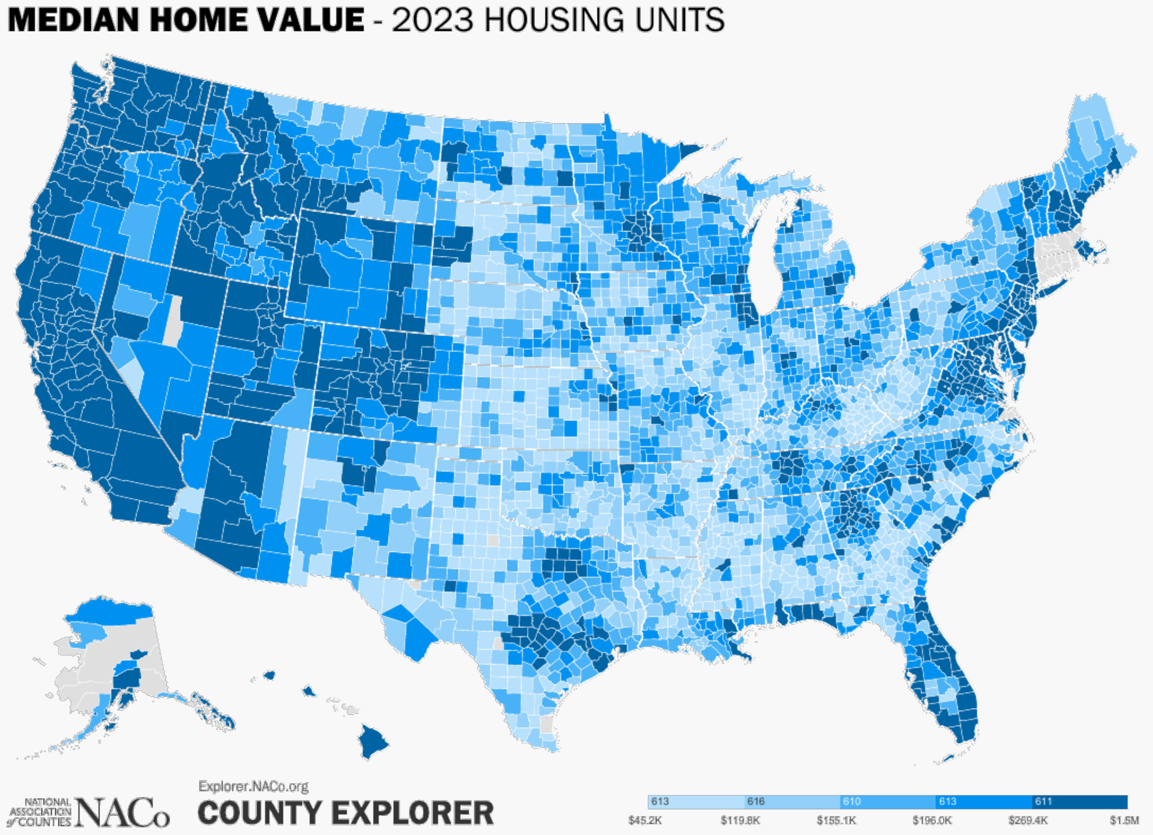


Source: U.S. Census Bureau, 2023 American Community Survey; Tax Foundation calculations

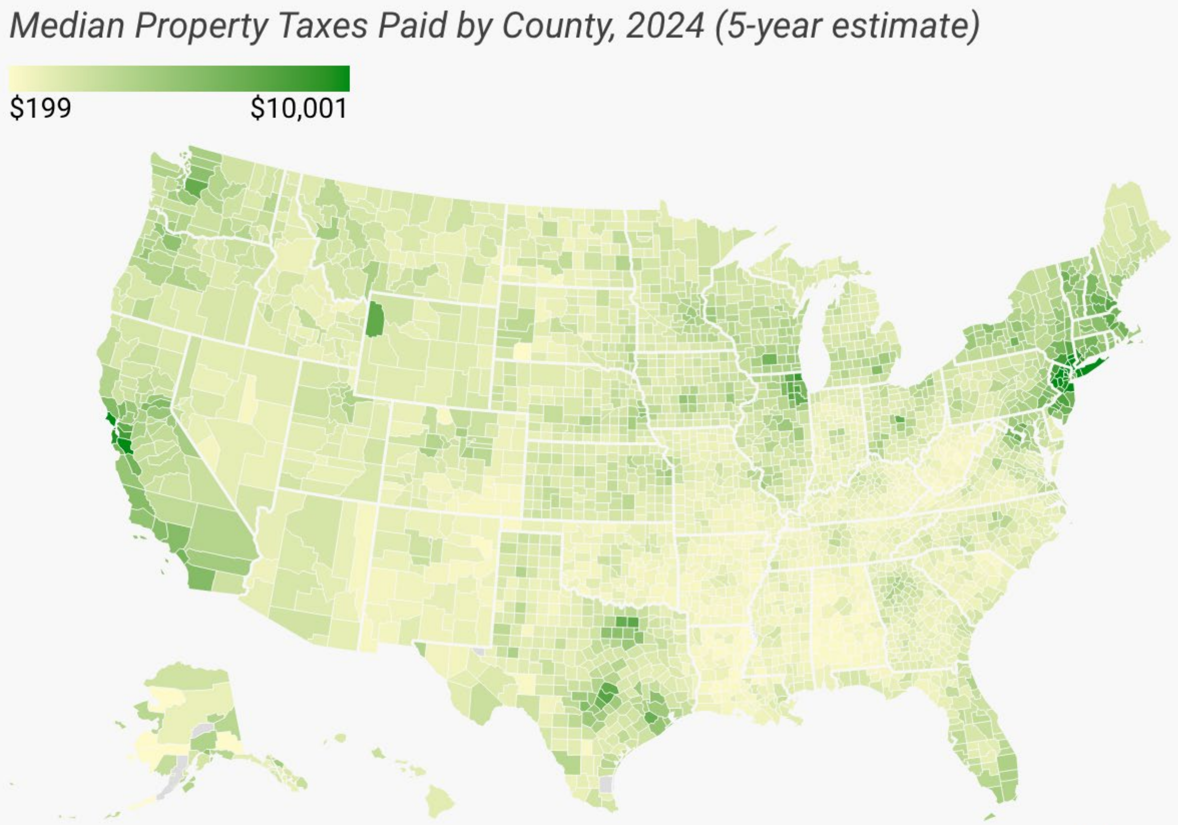
On the Ground

Property Tax Rates Are Set Amidst a Complex System of Local Governance

Property Tax Revenue Must Be Sufficient to Cover Service Costs



Source: NACo Analysis of U.S. Census Bureau - American Community Survey (ACS) 5 year estimates



Source: U.S. Census Bureau, 2023 American Community Survey; Tax Foundation calculations

TAX FOUNDATION

PRELIMINARY DATA

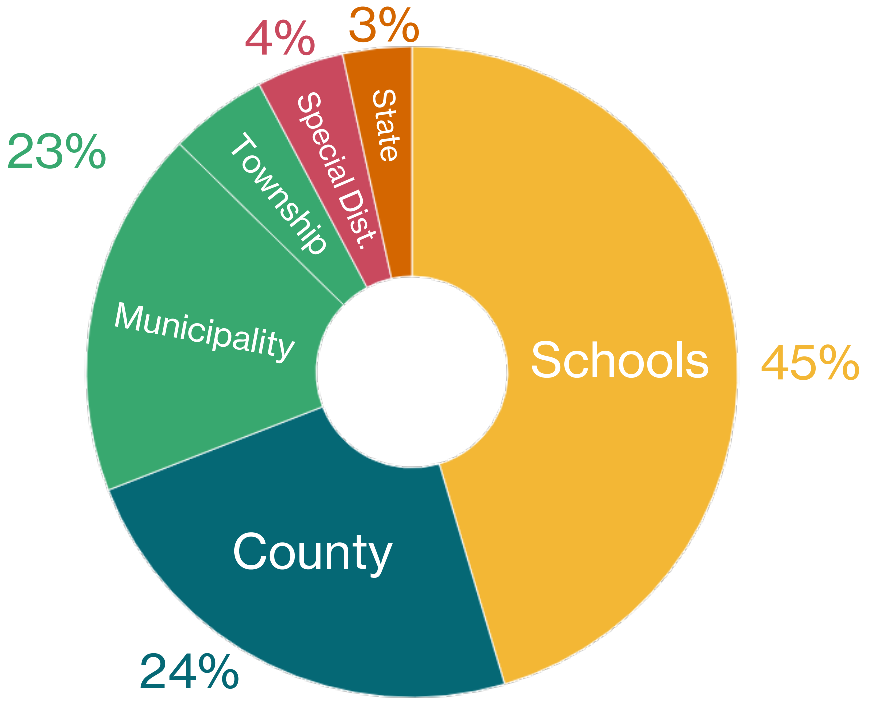
On the Ground

Property Taxes Fund Public Schools

- Counties collect all property taxes, but **the majority goes to public schools**
  + Counties keep less than one quarter

Schools Receive Nearly Half of All Property Taxes Nationwide

Breakdown of Property Tax Revenue by Level of Government, 2022



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance. Excludes Conn., D.C. and R.I.

On the Ground

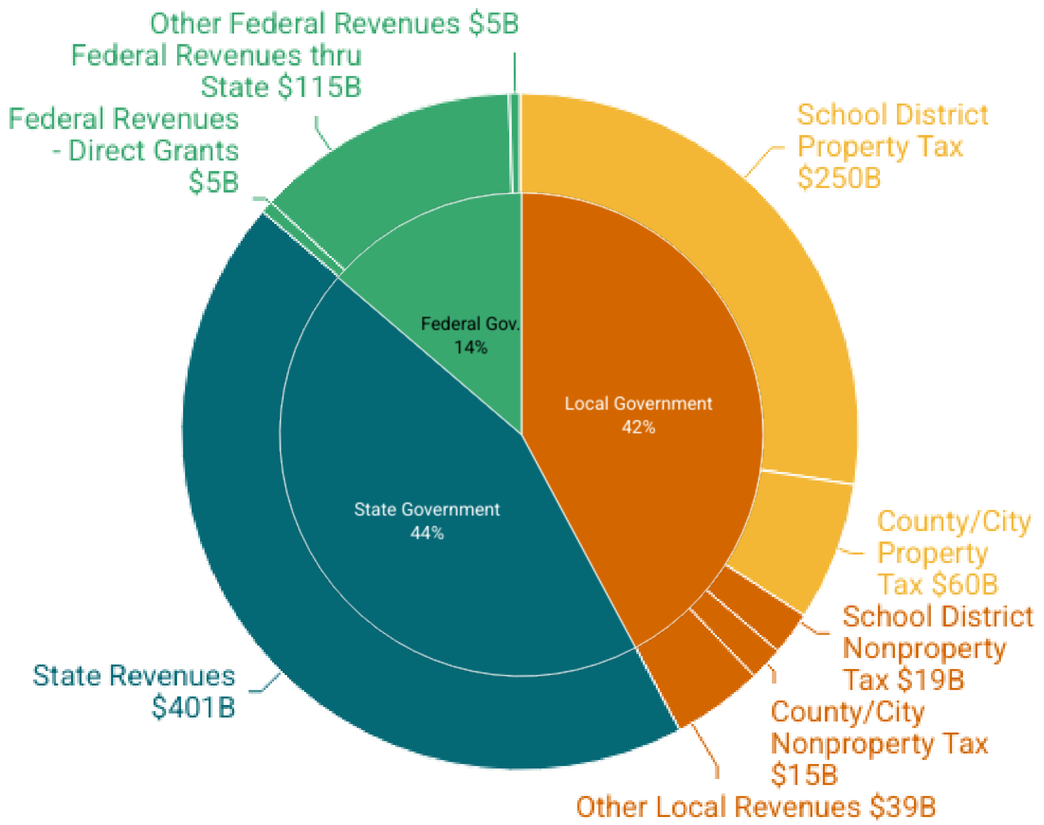
Property Taxes Fund Public Schools

- Public schools receive **$909 billion** of funding (2021-2022 school year)

- Property taxes are an **investment in the future**
  + All generations contribute
  + Sales and income taxes fall more heavily on younger generations

Property Taxes Provide Over One Third of Funding for Public Schools

Breakdown of Public School Funding for 2021-2022 School Year



Source: NACo Analysis of National Center for Education Statistics, National Public Education Financial Survey Data, 2021-2022 School Year.

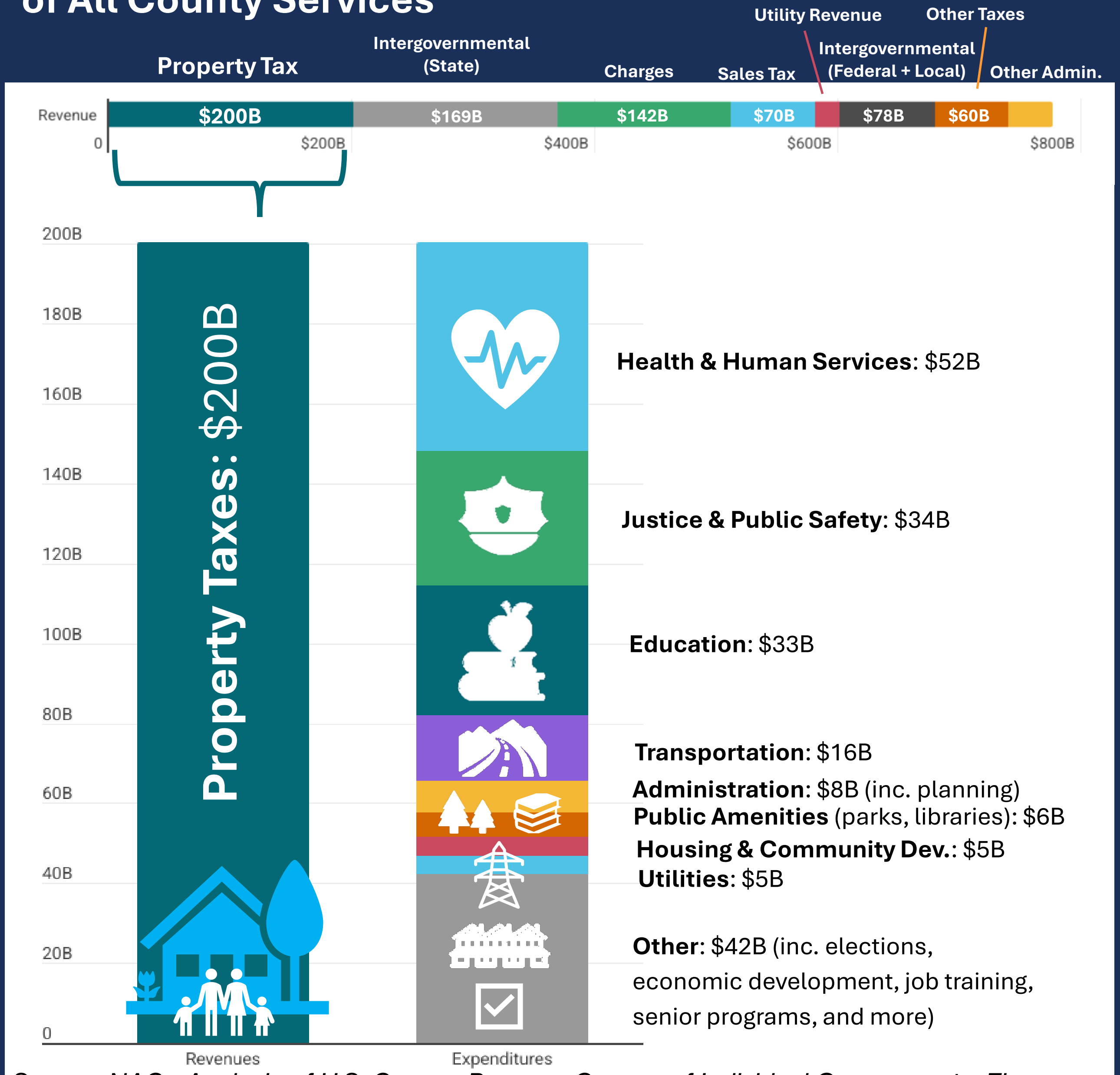
On the Ground

Property Taxes Provide Direct, Tangible Benefits for Residents

- Counties invest **locally**: over **$740 billion** to directly benefit those who pay the tax
  - + **Mandated** services: roads, bridges, public health, jails, courts, schools
  - + **Optional** (non-mandated) services: hospitals, transit, parks, libraries, utilities, economic development, 911 centers, senior care

PRELIMINARY DATA

Property Taxes Provide One Quarter (27 percent) of All County Services



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

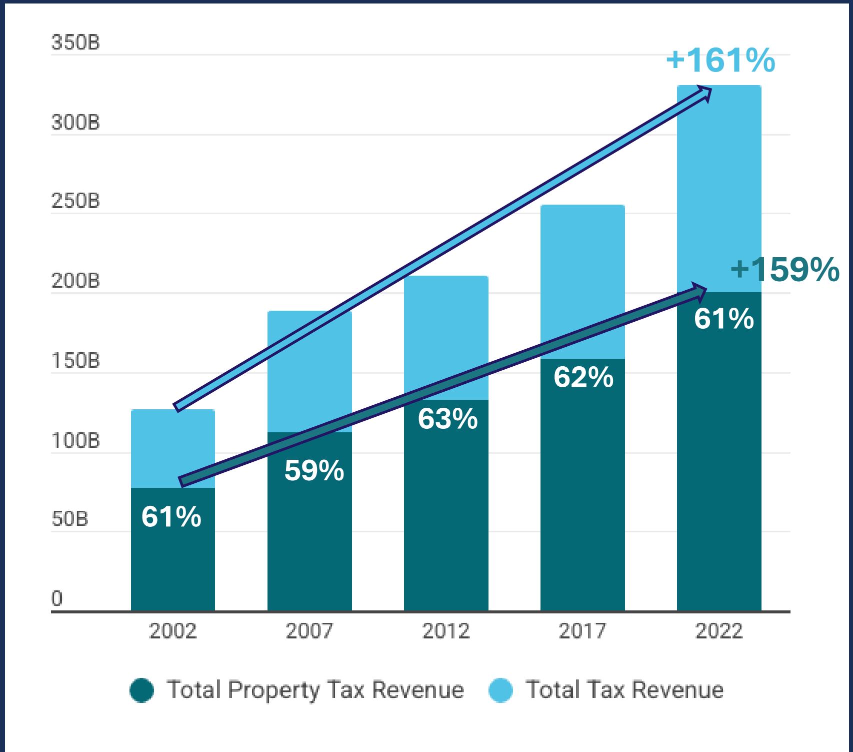
PRELIMINARY DATA

On the Ground

Property Taxes Keep Pace With Demand

Counties Reliant on Stability of Property Taxes for Two-Thirds of County Tax Revenue

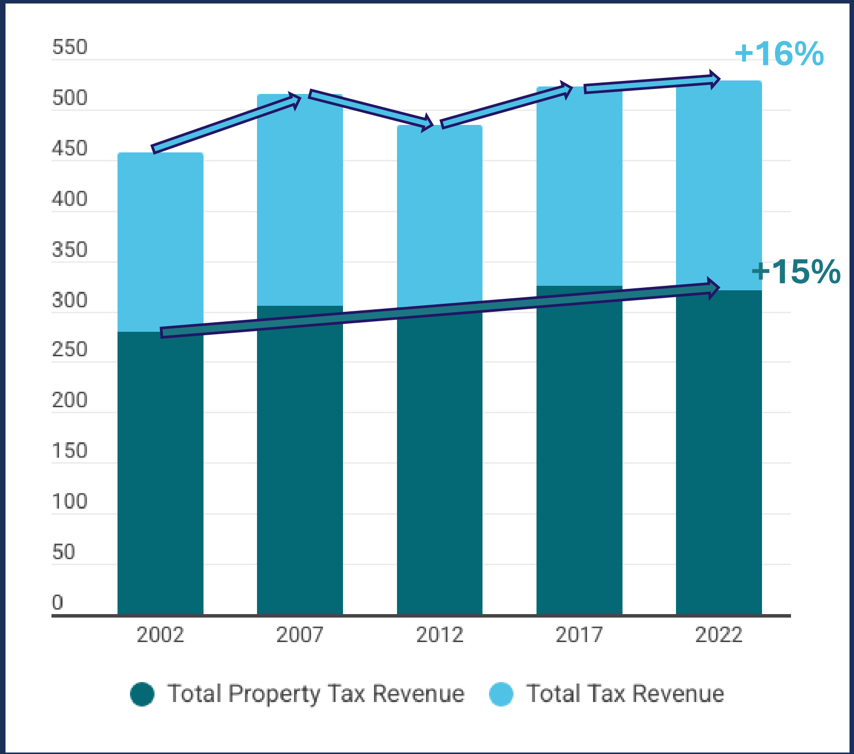
County Property Tax Revenue vs. Total County Tax Revenue, 2002-2022



Adjusted for inflation (cost of government services) and population change

County Property Tax Revenue Keeps Pace With Inflation and Population

Per Capita County Property Tax Revenue vs. Total Per Capita County Tax Revenue, adjusted for inflation, 2002-2022



Sources: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2002-2022; NACo analysis of U.S. Bureau of Economic Analysis, Government consumption expenditures and gross investment: State and local (implicit price deflator); NACo Analysis of U.S. Census Bureau - Population Estimates Program (PEP) – 2002-2022

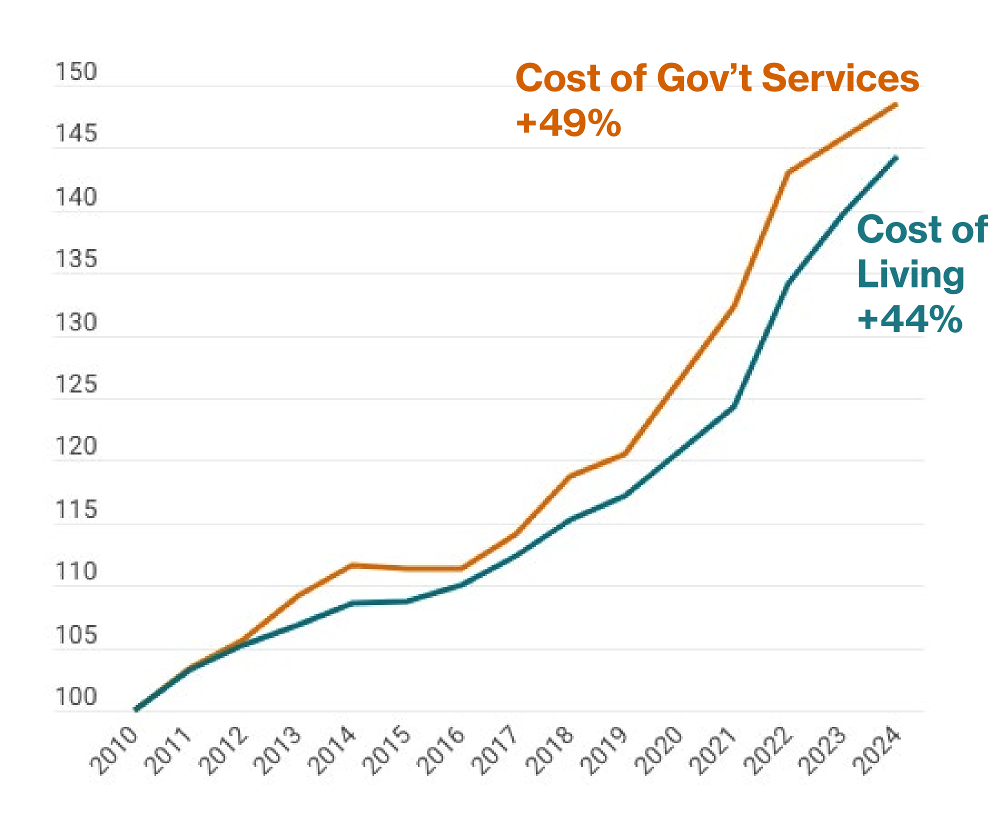
PRELIMINARY DATA

On the Ground

Property Taxes Keep Pace With Demand

Cost of Government Services Rose Faster Than Cost of Living

Consumer Price Index vs. State and Local Implicit Price Deflator, 2010-2024



Sources: NACo analysis of U.S. Bureau of Economic Analysis, Government consumption expenditures and gross investment: State and local (implicit price deflator); NACo analysis of U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, 2010-2024.

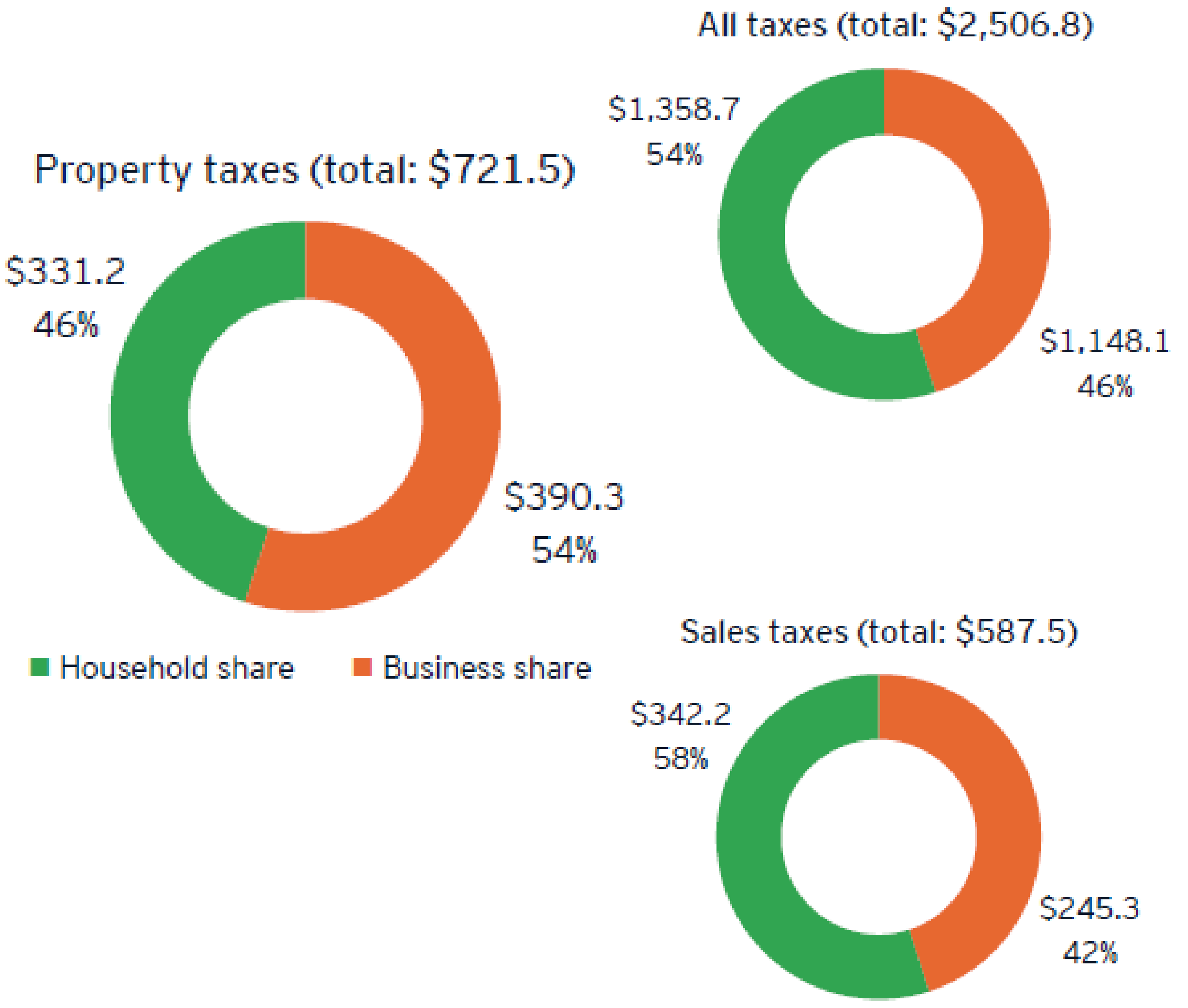
On the Ground

Property Taxes Provide Direct, Tangible Benefits for Residents

- Businesses contribute **42 percent** of property taxes
  - **54 percent** including multi-unit rental properties
  - Sales and other taxes fall more on residents

Businesses Contribute More Property Tax Revenue Than Households

Figure 3. Total state and local taxes ($ billions) and business and household taxes as a share of total tax collections, FY24



Note: Figures may not sum due to rounding.
Source: Ernst & Young LLP estimates based on data from the U.S. Census Bureau State and Local Government Finances.

PRELIMINARY DATA

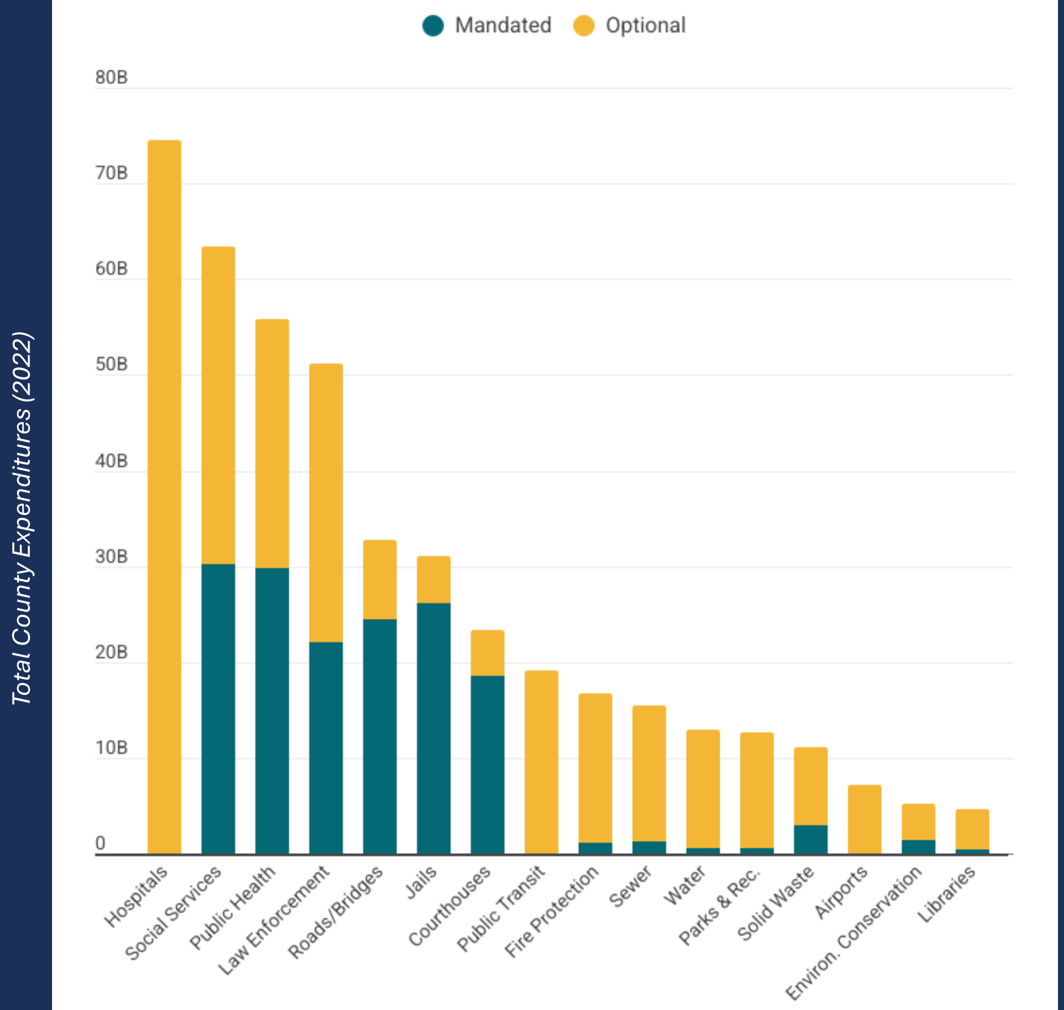
On the Ground

Property Taxes Foster Democracy and Local Choice

- **Unit of government closest to the people**
  - + Empowering counties elevates voice of individual
- **Flexibility**: General fund revenues
- **Autonomy**: Less restricted than other taxes
- **Widespread**: Nearly every state

Counties Invest at Least $300 Billion Each Year in Optional Services

County Expenditures by Category, Paired with County Authority



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance; NACo County Governance Project, 2022.

On the Ground

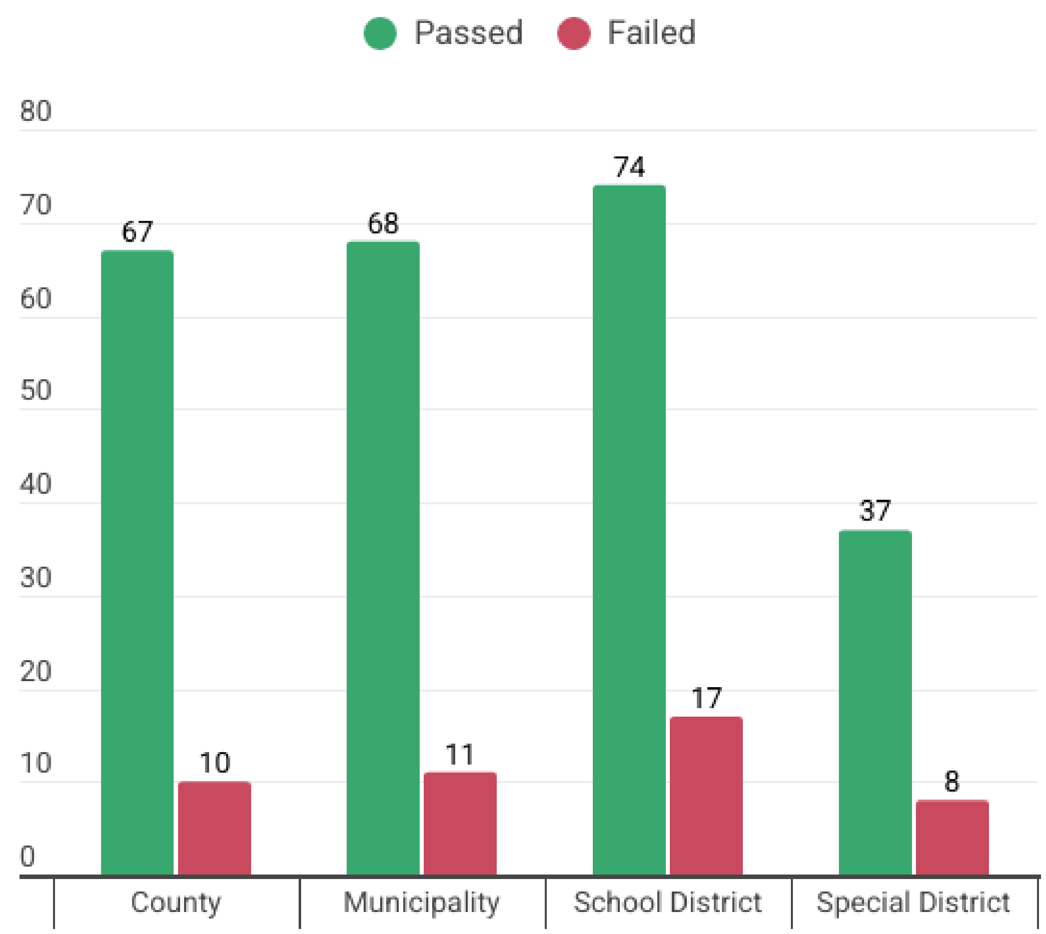
Property Taxes Foster Democracy and Local Choice

- **246 of 292 local ballot measures related to property taxes passed (84%)**
  - Residents do not support property taxes in the abstract
  - **Strong voter support on the ground**
  - Most were connected to specific services (education, parks, health services, libraries)

PRELIMINARY DATA

Voters Show Strong Support for Local Property Tax Control

Number of Local Ballot Measures Related to Property Taxes, by Level of Local Government, 2020-2025



***Source**: NACo analysis of Ballotpedia, "Local property tax ballot measures," using only years 2020-2025.*

***Note**: This list is not comprehensive; Ballotpedia only includes local ballots within the 100 largest cities, within state capitals, and throughout California and Virginia.*

On the Ground

The Property Tax Is Efficient, Stable and Equitable

Efficient:

- Does not disincentivize productive activity (investing, working, saving, spending)

Stability:

- Permanent, fixed asset (land) and semi-fixed, mostly immovable asset (buildings)

Property Taxes Are Less Economically Harmful Than Other Major Taxes

Source: Tax Foundation, "Not All Taxes Are Created Equal."

On the Ground

The Property Tax Is Efficient, Stable and Equitable

Efficient:

- Does not disincentivize productive activity (investing, working, saving, spending)

Stability:

- Permanent, fixed asset (land) and semi-fixed, mostly immovable asset (buildings)

Property Taxes Are Less Economically Harmful Than Other Major Taxes

Source: Tax Foundation, "Not All Taxes Are Created Equal."

On the Ground

The Property Tax Is Efficient, Stable and Equitable

Efficient:

- Does not disincentivize productive activity (investing, working, saving, spending)

Stability:

- Permanent, fixed asset (land) and semi-fixed, mostly immovable asset (buildings)

Property Taxes Are Less Economically Harmful Than Other Major Taxes

Key Considerations	Property Tax	Sales Tax	Income Tax
Revenue Stability	Best	2nd Best	Worst
Progressivity	2nd Best	Worst	Best
Accountability & Transparency	Best	Worst	2nd Best
Tax Base Immobility	Best	Worst	2nd Best
Fiscal Disparities	2nd Best	Worst	Best
Efficiency	Best	2nd Best	Worst
Tax Pyramiding	Best	2nd Best	Worst

Source: Adam Langley and Joan Youngman, "Property Tax Relief for Homeowners," Lincoln Institute of Land Policy (2021).

On the Ground

The Property Tax Is Efficient, Stable and Equitable

NATIONAL ASSOCIATION of COUNTIES NACo

Efficient:

- Does not disincentivize productive activity (investing, working, saving, spending)

Stability:

- Permanent, fixed asset (land) and semi-fixed, mostly immovable asset (buildings)

Property Taxes Are Less Economically Harmful Than Other Major Taxes

Key Considerations	Property Tax	Sales Tax	Income Tax
Revenue Stability	Best	2nd Best	Worst
Progressivity	2nd Best	Worst	Best
Accountability & Transparency	Best	Worst	2nd Best
Tax Base Immobility	Best	Worst	2nd Best
Fiscal Disparities	2nd Best	Worst	Best
Efficiency	Best	2nd Best	Worst
Tax Pyramiding	Best	2nd Best	Worst

Source: Adam Langley and Joan Youngman, "Property Tax Relief for Homeowners," Lincoln Institute of Land Policy (2021).

On the Ground

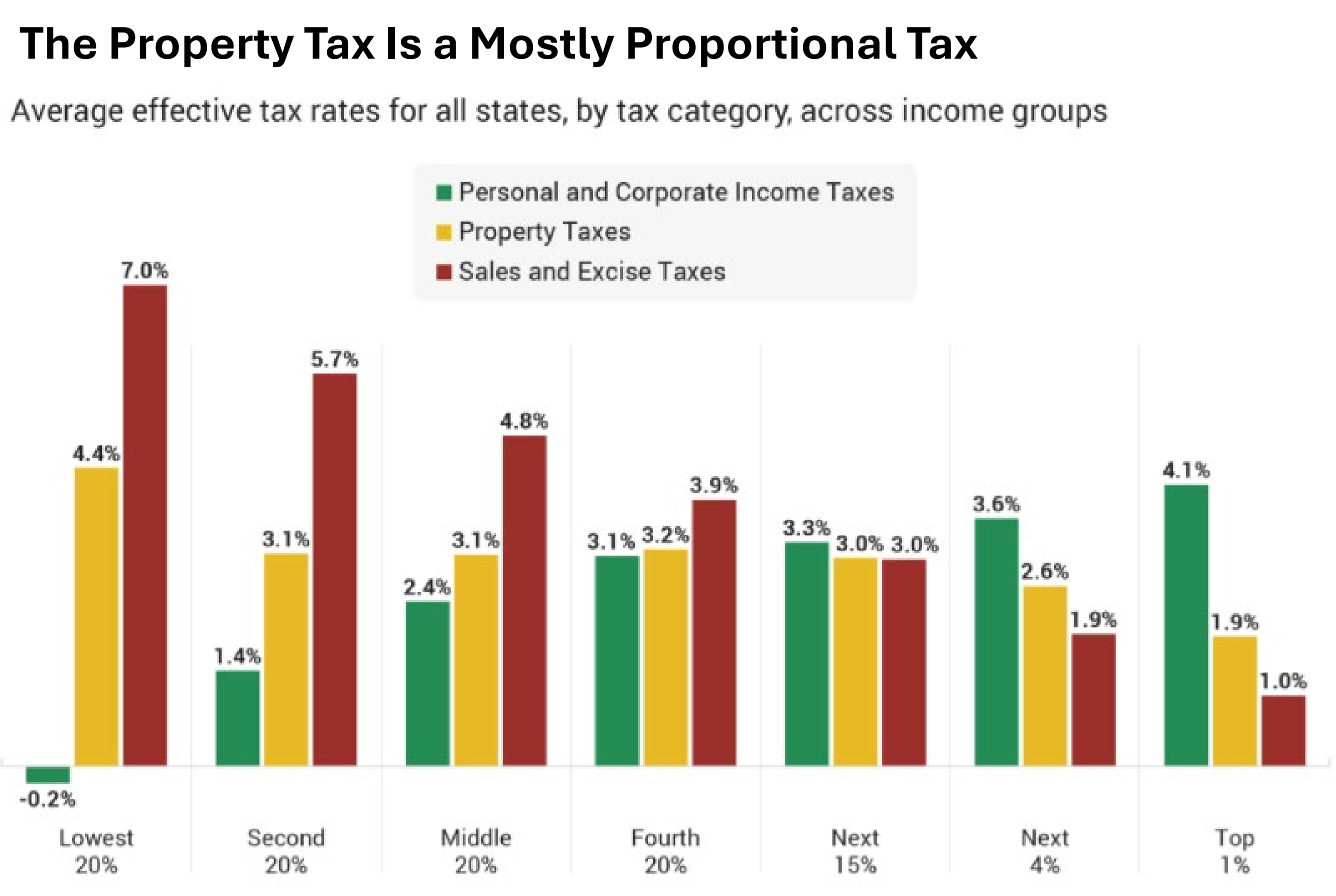
The Property Tax Is Efficient, Stable and Equitable

Equitable (naturally proportional):

- Differences due to home prices (necessity) or choice
- Less loopholes

Credit ratings & fiscal flexibility:

- Local ability to expand **infrastructure** through municipal bonds
  + *Maher, Deller, Stallmann and Park, 2016*



Source: Institute on Taxation and Economic Policy, "Who Pays? 7th Edition," (January 2024).

On the Ground

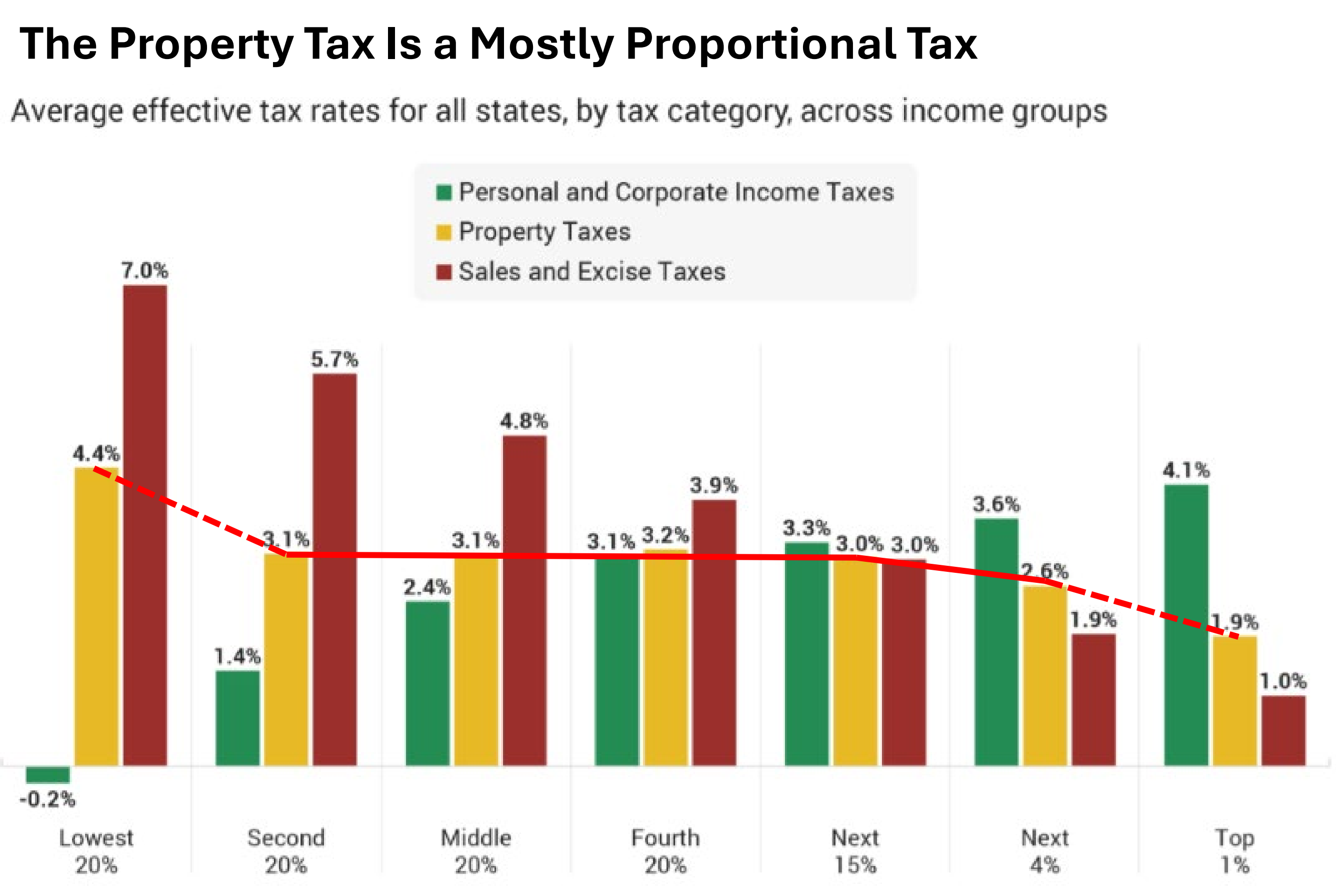
The Property Tax Is Efficient, Stable and Equitable

Equitable (naturally proportional):

- Differences due to home prices (necessity) or choice
- Less loopholes

Credit ratings & fiscal flexibility:

- Local ability to expand **infrastructure** through municipal bonds
  + *Maher, Deller, Stallmann and Park, 2016*

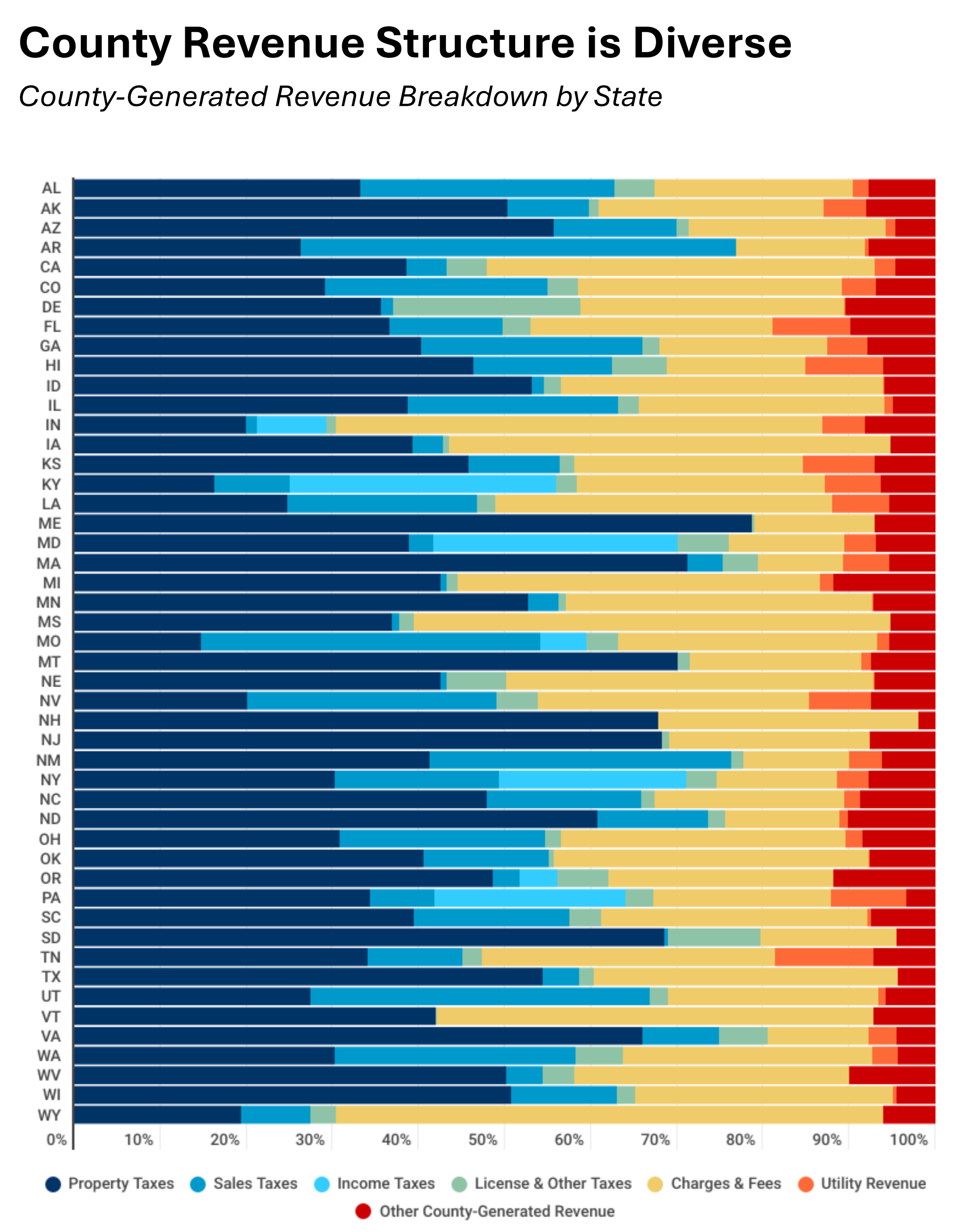


Source: Institute on Taxation and Economic Policy, "Who Pays? 7th Edition," (January 2024).

On the Ground

Property Taxes Must Be Coupled With Local Autonomy

- **No "one-size-fits-all" solution**
- Property taxes are the top, but not the only, source of revenue
  - + Counties in every state utilize some combination of property taxes with other revenue sources
- **Sales taxes**: $70 billion
- **Charges and fees**: $142 billion
- **Other**: $117 billion (including: income taxes, hotel-motel taxes, utility revenue)



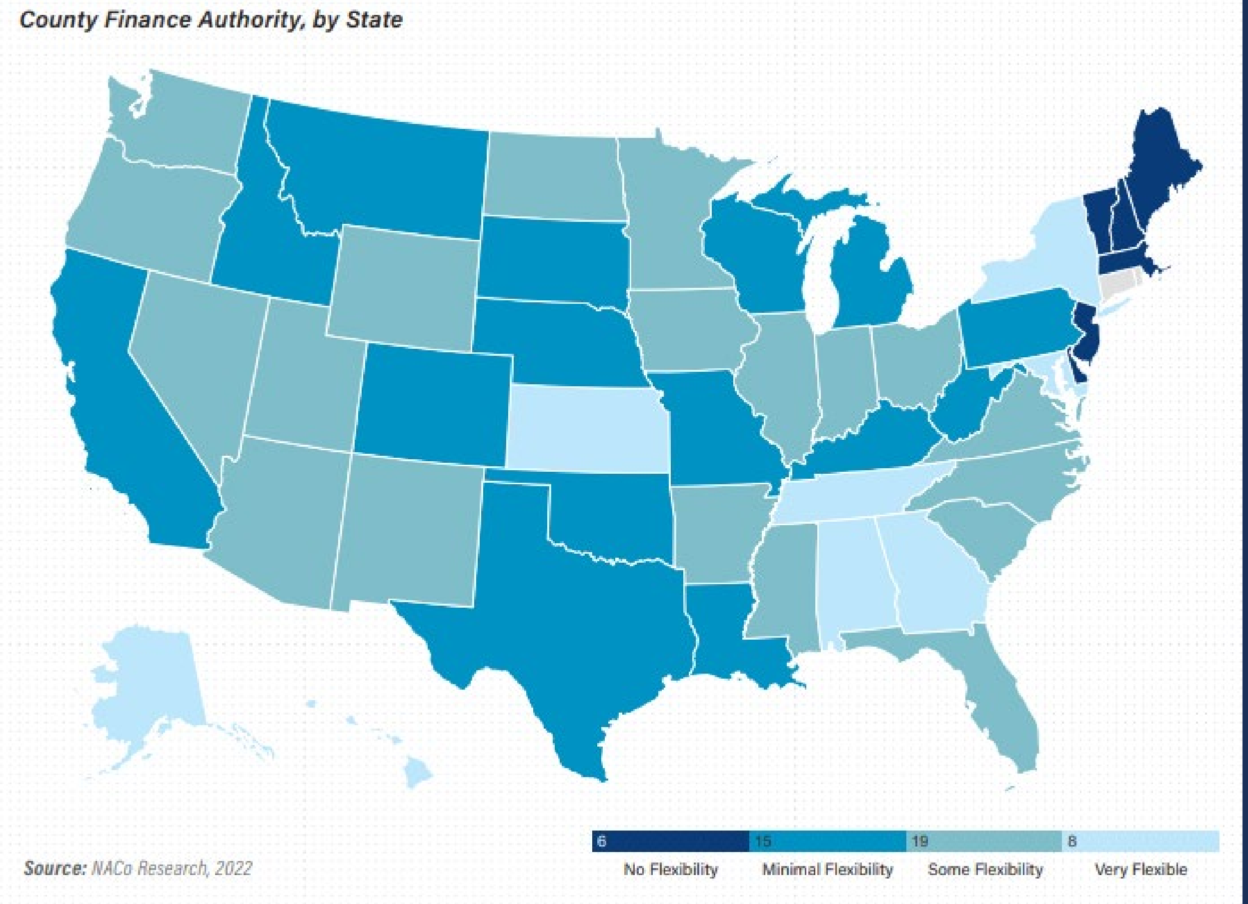
Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

On the Ground

Property Taxes Must Be Coupled With Local Autonomy

- **No "one-size-fits-all" solution**
- Property taxes are the top, but not the only, source of revenue
  + Counties in every state utilize some combination of property taxes with other revenue sources
- **Sales taxes**: $70 billion
- **Charges and fees**: $142 billion
- **Other**: $117 billion (including: income taxes, hotel-motel taxes, utility revenue)

34 States Impose Restrictions on County Revenue With Some Flexibility



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

NATIONAL ASSOCIATION of COUNTIES NACo

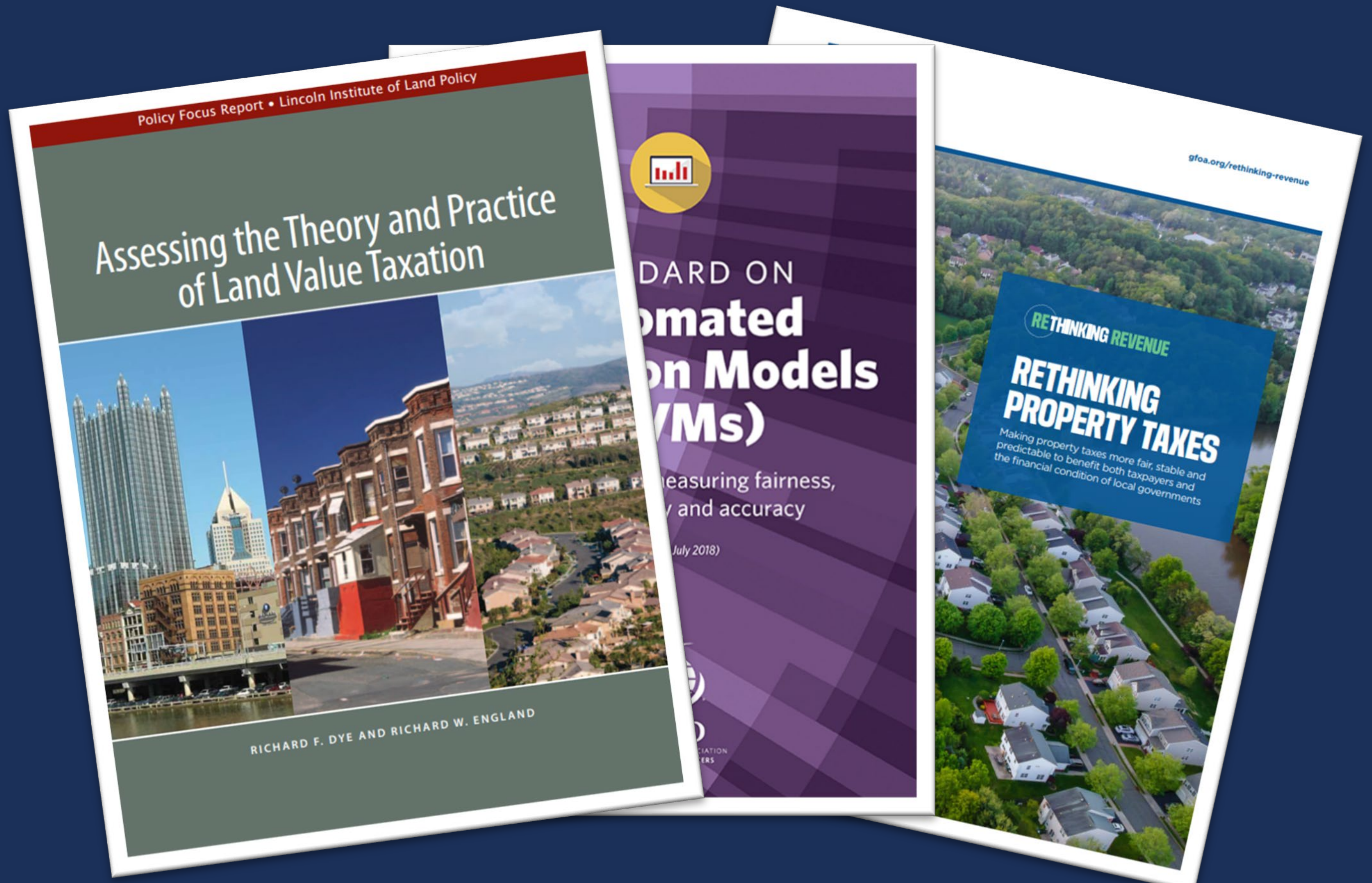
Appendix

County-Driven Solutions and Resources

GOAL 1:

Accurate and Fair Valuation of Tax Liability

- Solution 1: Reassess properties annually
- Solution 2: Implement ratio studies
- Solution 3: Shift toward land valuation taxation
- Solution 4: Targeted tax relief for low-income households

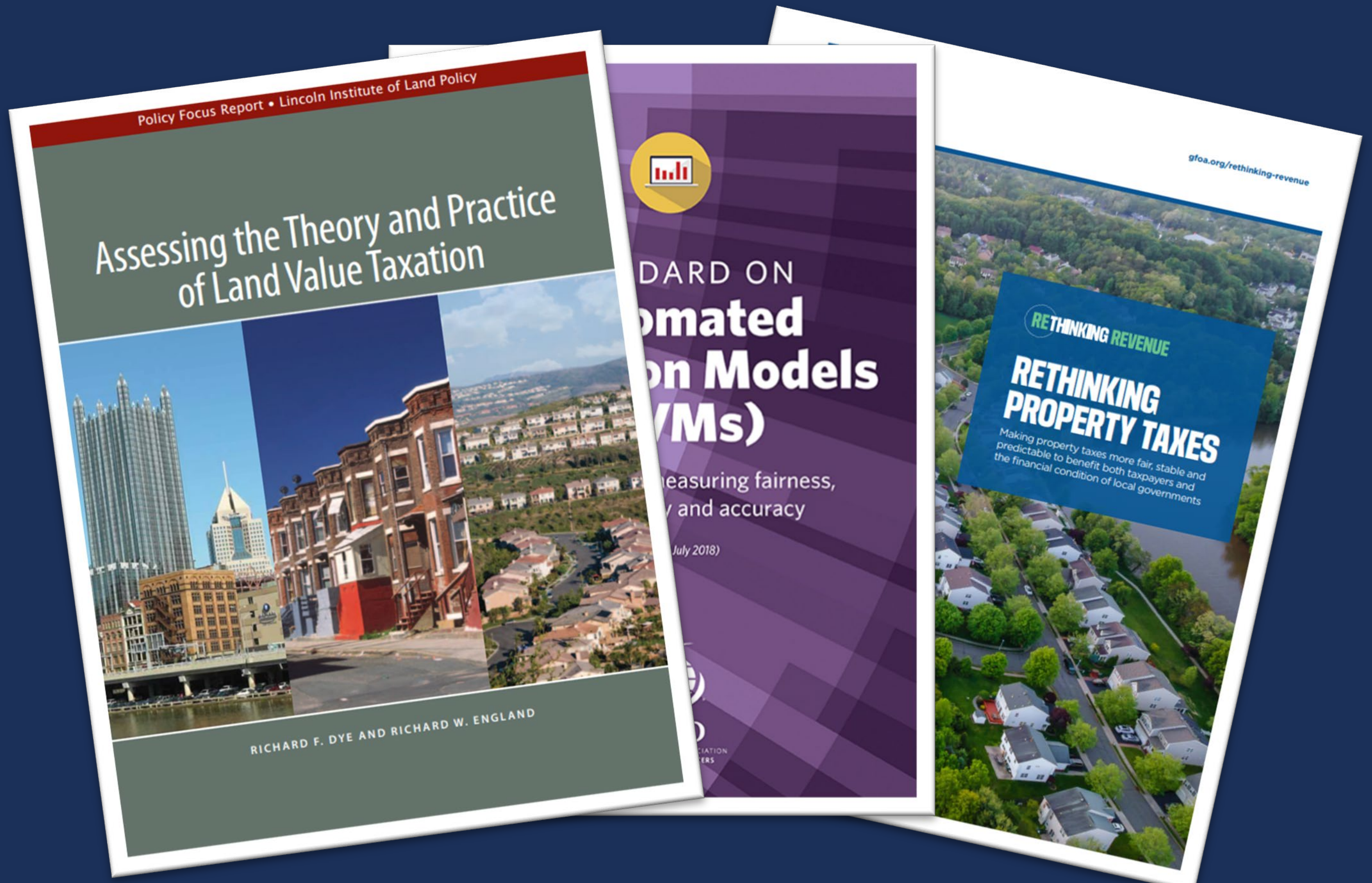


Resources: GFOA, IAAO, Lincoln Institute of Land Policy

Appendix
County-Driven Solutions and Resources

GOAL 2:
Stable, Predictable Costs to Taxpayers

- Solution 5: Improve the public's understanding through communication in tax bills and other means
- Solution 6: More frequent, smaller tax bills
- Solution 7: Budget-driven financing



Resources: GFOA, IAAO, Lincoln Institute of Land Policy

Property Taxes:

State Trends and County Insights

Questions? *Research@NACo.org*

National Association of County Collectors, Treasurers & Finance Officers | July 2026