

2025-2026 Property Tax Bills have been mailed – With the 1st payment due 10/15/2025.

Why are they so high? And what happened with home valuations?

The short version: Taxes were committed on 9/15/2025. Property taxes increased approximately 8.6%, unless you had a homestead exemption. For those with homestead exemptions the percentage worked out higher due to the lower mil rate, even though you gained the exemption discount. The mil rate is 11.47. It's much lower than last year because everyone's residential valuation was factored up 35% to keep up with state estimates from sales figures. The lower reimbursement is still better than not factoring and incurring the penalty. Budget increases are not huge, except for the County, which is 10% of your tax bill. What seems to have hurt the most is decreases in offsets to the town budget, and changes in funding and/or the effect of valuation increases on school funding.

The longer version:

1. All residential property valuations were factored up 35% (similar to last year's 25% factor). This was done to keep up with the state valuation calculation so our homestead and veteran's exemptions are not penalized. Since all properties were factored the same percentage, the net effect of the factor was to decrease the mil rate, not to increase the taxes.
2. However, the mil rate decrease reduced the benefit of the homestead exemption by \$70. (And the benefit will continue to be reduced each year if valuations keep going up at a faster rate than taxes, but this reduction is less than if we had not factored.)
3. 67% of your tax bill - RSU4 costs for Litchfield went up \$296,736 or 6.55%. Increases for the other towns were comparable. The school budget increase was less than 3%, increases to the town valuation and adjustments to the funding formula accounted for the rest.
4. 10% of your tax bill – Kennebec County taxes are up \$108,782 or 17.5%.
5. 23% of your tax bill – The town budget is up \$93,498 or 2.7%, but offsets (projected revenues) that reduce the cost of the budget are down over \$200,000. State revenue sharing projects \$18,000 less than last year; homestead reimbursement is \$55,480 less and the amount of unassigned funds voted at Town Meeting to reduce taxes this year was \$150,000 less than last year (\$300,000 instead of \$450,000). (Enough unassigned funds are reserved to ensure the town does not have to borrow during the time between receipt of the last tax payment in April and the first payment of the next tax year in October. Estimates of the amount available to use to reduce the upcoming taxes are provided each year, with the final amount debated and approved at Town Meeting. Historical unassigned fund reductions have been \$200,000 or less.) Due to the lower revenues and other offsets, the net increase of town costs is about \$317,000 making the effective town tax increase about 9.25% even though the budget only increased 2.7%.
6. The bottom line. This year's mil rate (total town valuation divided by the total tax dollars needed to fund all approved budgets) is 11.47. Your tax is calculated by multiplying your property valuation by 0.01147. Using this year's numbers, the approximate increase in taxes is about \$190 per \$200,000 of valuation.