

# 2021's Property Taxes by State

John S Kiernan, Managing Editor • Feb 23, 2021



Depending on where you live, property taxes can be a small inconvenience or a major burden. The average American household spends \$2,471 on property taxes for their homes each year, according to the U.S. Census Bureau, and residents of the 27 states with vehicle property taxes shell out another \$442. Considering these figures and the massive amount of debt in America, it should come as no surprise that more than \$14 billion in property taxes go unpaid each year, according to the National Tax Lien Association.

And though property taxes might appear to be a non-issue for the 36 percent of renter households, that couldn't be further from the truth. We all pay property taxes, whether directly or indirectly, as they impact the rent we pay as well as the finances of state and local governments.

But which states have the largest property tax load, and what should residents keep in mind when it comes to meeting and minimizing their tax obligations? In search of answers, we analyzed the 50 states and the District of Columbia in terms of real-estate and vehicle property taxes. We also asked a panel of property-tax experts for practical and political insight.

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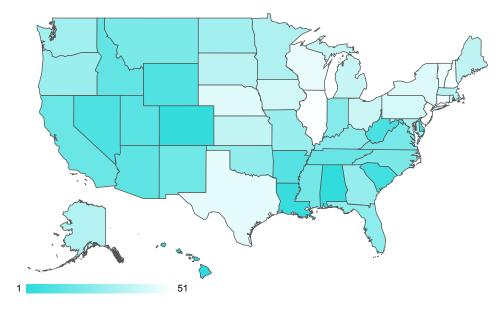
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## **Real-Estate Tax Ranking**



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## Real-Estate Property Tax Rates by State

Rank (1=Lowest) ♦	State	Effective Real- Estate Tax Rate	Annual Taxes on \$217.5K Home* ◆	State Median Home Value <del>♦</del>	Annual Taxes on Home Priced at State Median Value \$
1	Hawaii	0.28%	\$606	\$615,300	\$1,715
2	Alabama	0.41%	\$895	\$142,700	\$587
3	Colorado	0.51%	\$1,113	\$343,300	\$1,756
4	Louisiana	0.55%	\$1,187	\$163,100	\$890
5	District of Columbia	0.56%	\$1,221	\$601,500	\$3,378
6	South Carolina	0.57%	\$1,238	\$162,300	\$924
6	Delaware	0.57%	\$1,240	\$251,100	\$1,431

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Contact us to interview one of our experts

38	Michigan	1.54%	\$3,343	\$154,900	\$2,381
39	Ohio	1.56%	\$3,390	\$145,700	\$2,271
40	lowa	1.57%	\$3,407	\$147,800	\$2,315
41	Pennsylvania	1.58%	\$3,442	\$180,200	\$2,852
42	Rhode Island	1.63%	\$3,548	\$261,900	\$4,272
43	New York	1.72%	\$3,749	\$313,700	\$5,407
44	Nebraska	1.73%	\$3,754	\$155,800	\$2,689
45	Texas	1.80%	\$3,907	\$172,500	\$3,099
46	Wisconsin	1.85%	\$4,027	\$180,600	\$3,344
47	Vermont	1.90%	\$4,135	\$227,700	\$4,329
48	Connecticut	2.14%	\$4,658	\$275,400	\$5,898
49	New Hampshire	2.18%	\$4,738	\$261,700	\$5,701
50	Illinois	2.27%	\$4,942	\$194,500	\$4,419
51	New Jersey	2.49%	\$5,419	\$335,600	\$8,362

<sup>\*\$217,500</sup> is the median home value in the U.S. as of 2019, the year of the most recent available data.

## **Changes to Real Estate Tax Rates Over Time**

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### Red vs. Blue States

# **Property Taxes Than Blue States**

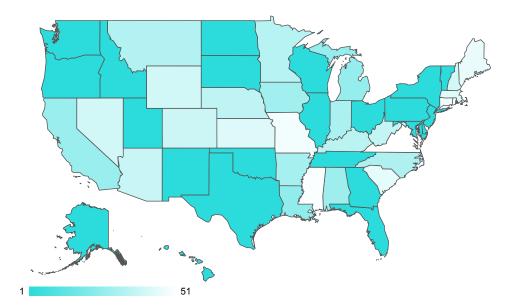
Red States Impose Lower Real Estate

\* The smaller the number, the lower the taxes in that state are.



States are designated as Red or Blue based on how they voted in the 2020 presidential election.

## **Vehicle Property Tax Ranking**



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## Vehicle Property Tax Rates by State

Rank (1=Lowest)	State	Effective Vehicle Tax Rate	Annual Taxes on \$25K Car* ♦
1	Hawaii	0.00%	\$0
1	District of Columbia	0.00%	\$0
1	Delaware	0.00%	\$0
1	Utah	0.00%	\$0
1	Tennessee	0.00%	\$0
1	Idaho	0.00%	\$0
1	New Mexico	0.00%	\$0
1	Oklahoma	0.00%	\$0
1	Georgia	0.00%	\$0
1	Florida	0.00%	\$0
1	North Dakota	0.00%	\$0
1	Washington	0.00%	\$0
1	Oregon	0.00%	\$0
1	Maryland	0.00%	\$0
1	Alaska	0.00%	\$0
1	South Dakota	0.00%	\$0
1	Ohio	0.00%	\$0
1	Pennsylvania	0.00%	\$0
1	New York	0.00%	\$0
1	Texas	0.00%	\$0
1	Vermont	0.00%	\$0
1	Wisconsin	0.00%	\$0
1	Illinois	0.00%	\$0

1	New Jersey	0.00%	\$0
25	Louisiana	0.10%	\$25
26	Michigan	0.59%	\$148
27	California	0.65%	\$162
28	Alabama	0.69%	\$172
29	lowa	1.00%	\$250
30	Arkansas	1.01%	\$253
31	Indiana	1.20%	\$300
32	North Carolina	1.21%	\$302
33	Montana	1.25%	\$311
34	Minnesota	1.29%	\$321
35	Kentucky	1.45%	\$361
36	Nebraska	1.59%	\$398
37	West Virginia	1.66%	\$416
38	Arizona	1.68%	\$419
39	Colorado	1.79%	\$446
40	Wyoming	1.80%	\$449
40	Nevada	1.80%	\$449
40	New Hampshire	1.80%	\$449
43	Kansas	1.94%	\$486
44	Massachusetts	2.25%	\$562
45	South Carolina	2.38%	\$593
46	Maine	2.40%	\$599
47	Connecticut	2.61%	\$651
48	Missouri	2.63%	\$656
49	Rhode Island	3.44%	\$859
50	Mississippi	3.50%	\$875
51	Virginia	4.05%	\$1,012

<sup>\$24,970</sup> is the value of a Toyota Camry LE four-door Sedan (as of February 2021), the

highest-selling car of 2020.

## Ask the Experts

Property taxes are an extremely important issue since they impact all of our lives. But how should we incorporate them into our financial decision making? And how should policy makers across the U.S. approach them as well? For answers to those questions and more, we consulted a panel of tax and public-policy experts. You can check out their bios and responses to key questions below.

- 1. Do people consider property taxes when deciding where to move? Should they?
- 2. Should nonprofits pay property taxes?
- 3. Should local tax policy be adjusted to rely more or less on property taxes versus other forms of taxation?
- 4. Should more types of property be subject to property taxes? If yes, what types?
- 5. Should certain groups of people be exempt from property taxes or be taxed at a lower rate?



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## Methodology

In order to determine the states with the highest and lowest property taxes, WalletHub compared the 50 states and the District of Columbia by using U.S. Census Bureau data to determine real-estate property tax rates and applying assumptions based on national auto-sales data to determine vehicle property tax rates.

For real-estate property tax rates, we divided the "median real-estate tax payment" by the "median home price" in each state. We then used the resulting rates to obtain the dollar amount paid as real-estate tax on a house worth \$217,500, the median value for a home in the U.S. as of 2019 according to the Census Bureau.

For vehicle property tax rates, we examined data for cities and counties making up at least 50 percent of a given state's population and extrapolated this to the state level using weighted averages based on population size. For each state, we assumed all residents own the same vehicle: a Toyota Camry LE four-door sedan — 2020's highest-selling car — valued at \$24,970, as of February 2021.

Please note that Georgia formerly imposed vehicle property tax but replaced it in 2013 with a one-time tax imposed on a vehicle's fair market value (FMV).

Sources: Data used to create this ranking were collected from the U.S. Census Bureau and each state's Department of Motor Vehicles.

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