



## THE HEART OF CUYAHOGA COUNTY

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### MEMORANDUM

To: Mayor Gregory P. Kurtz  
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, January 13, 2023

Re: Finance Office and Related Topic Updates

#### **Property Taxes and Rates**

Cuyahoga County Real Property Tax Bills have hit the mailboxes this week. Property taxes for the first half of 2022 are due and payable by Thursday, January 26, 2023.

Included with the property tax bills this week was the Rates of Taxation for Tax Year 2022 Due in 2023 that lists all cities, villages and townships in Cuyahoga County along with their effective residential and commercial/industrial tax rates.

Independence still fares real well, maintaining its status as having the lowest effective real property tax rate of any City in Cuyahoga County! (The three nearby villages of Valley View, Brooklyn Heights and Cuyahoga Heights still have effective real property tax rates that are slightly lower than Independence's).

Cuyahoga County quotes real property tax rates in "dollars and cents per thousand dollars of tax value," and real property in Ohio is taxed at 35 percent (35%) of Market Value.

So a real property valued at say \$250,000 (market value) in Ohio would therefore have a Tax (Assessed) Value of \$87,500 ( $\$250,000 \times 35\%$ ).

To get a pretty close estimate of what the real property taxes would be for that \$250,000 property, one would divide that \$87,500 by 1,000 for a quotient (total) of 87.5, and then multiply that 87.5 quotient by a community's effective tax rate noted on the next page.

## **Property Taxes and Rates – Continued**

### Cuyahoga County Real Property 2022 Tax Rates due in 2023 in dollars/cents per \$1,000 of Tax Value

<u>Community</u>	<u>Effective Residential Tax Rate</u>	<u>Effective Commercial/Industrial Tax Rate</u>
Independence	58.51	62.70
<u>Nearby Communities</u>		
Brecksville	69.07	80.85
Broadview Heights	70.53	82.76
Brooklyn Heights	53.75	60.39
Cuyahoga Heights	53.75	60.39
Seven Hills	75.91	85.13
Valley View	55.69	62.35
Walton Hills	61.82	75.28

### Peer Communities (With very defined commercial/industrial districts like Independence)

Beachwood	65.20	77.65
Solon	73.79	90.74
Westlake	60.91	69.11

Independence’s real property tax rates have always been a strategic advantage. A number of factors weigh in on an organization’s decision on where to locate, and costs/taxes are definitely one of the important factors in that decision.

Independence’s effective commercial/industrial real property tax rate is still a strategic advantage for sure. What remains to be seen though is how long the impact the whole remote-work and hybrid-work models that office-oriented organizations have been forced to adopt since 2020, will last.

If technology and these alternative work models result in ‘location’ not being quite as important as it was in the past, then Independence will have to develop alternative strategies going forward to determine how to best combat this dynamic. One of them might be re-purposing remaining vacant commercial/industrial zoned property from the former heavy office-reliant bent to a land-use focus where organizations need people at a physical space – thereby keeping cost an important location consideration, and therefore retaining Independence’s strategic advantage.