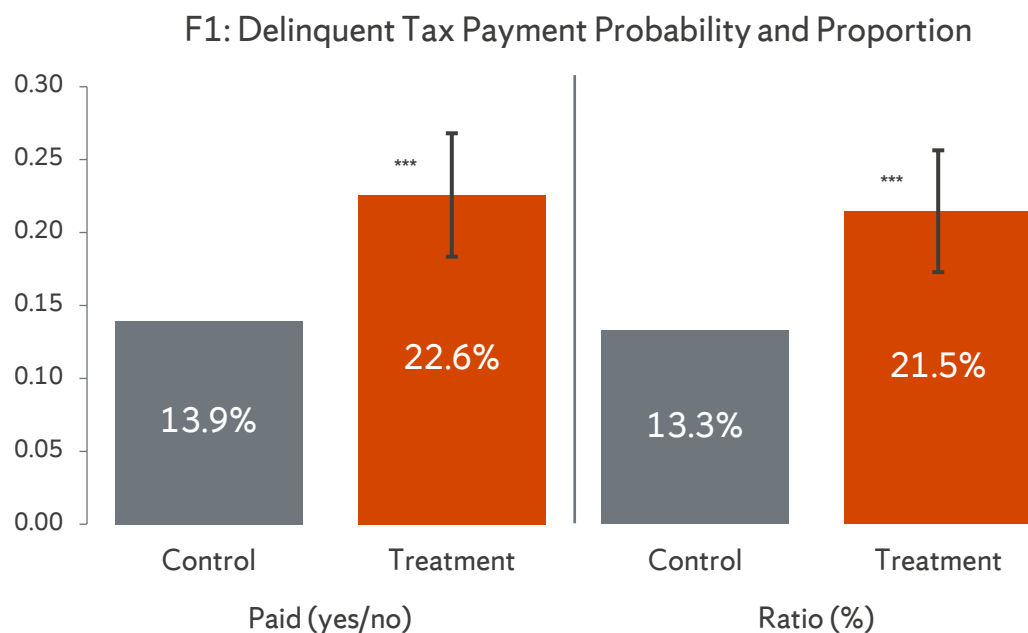


## Overdue Property Tax Notifications: City of Syracuse

The Maxwell X Lab recently partnered with the City of Syracuse to test whether courtesy notices for overdue property tax bills would impact payments. The notices simplified typical communication: the letters made salient payment options, future penalties and interest, and how the payments are used. One-third of the notices also included a personalized handwritten note on the outside of the envelope.

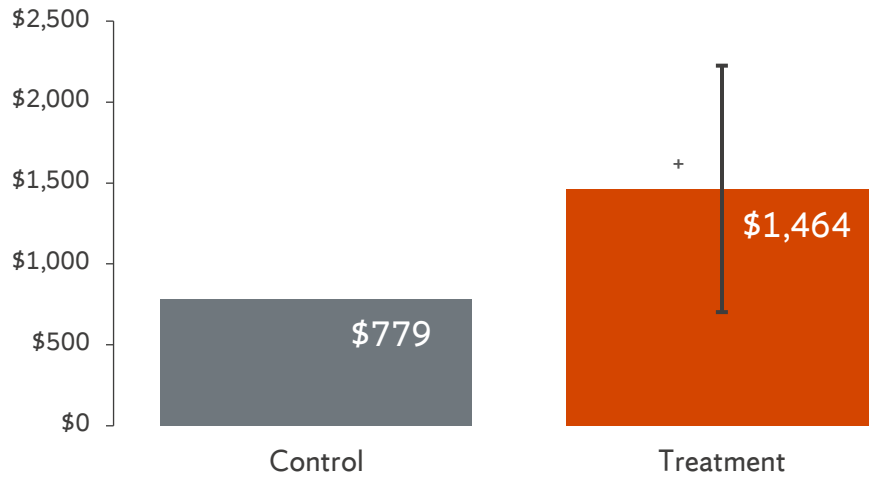
In May 2018, property owners who owed delinquent taxes (prior to 2017-18) or who were late on their 2017-18 tax bill were randomized to receive the courtesy notice, courtesy notice + envelope handwriting, or no additional mailings. We ran two separate mailings (trials) for 2017-18 and delinquent bills. In July, all properties (control and treatment) who were late on their most recent tax bill (2017-18) also received a formal legal notice from the City about impending tax liens.

After four months, property owners who received the notice on delinquent taxes (prior to 2017-18) were 62 percent more likely to make a payment and paid 62 percent more of their bill, on average (F1).<sup>1</sup> This means that the treatment induced owners to pay their full bill. In dollar terms (F2), the combined treatment group paid on average \$684 (88%) more than the control (\$779).<sup>2</sup>



n = 2,722 | \*\*\* p<.001, \*\* p<.01, \* p<.05

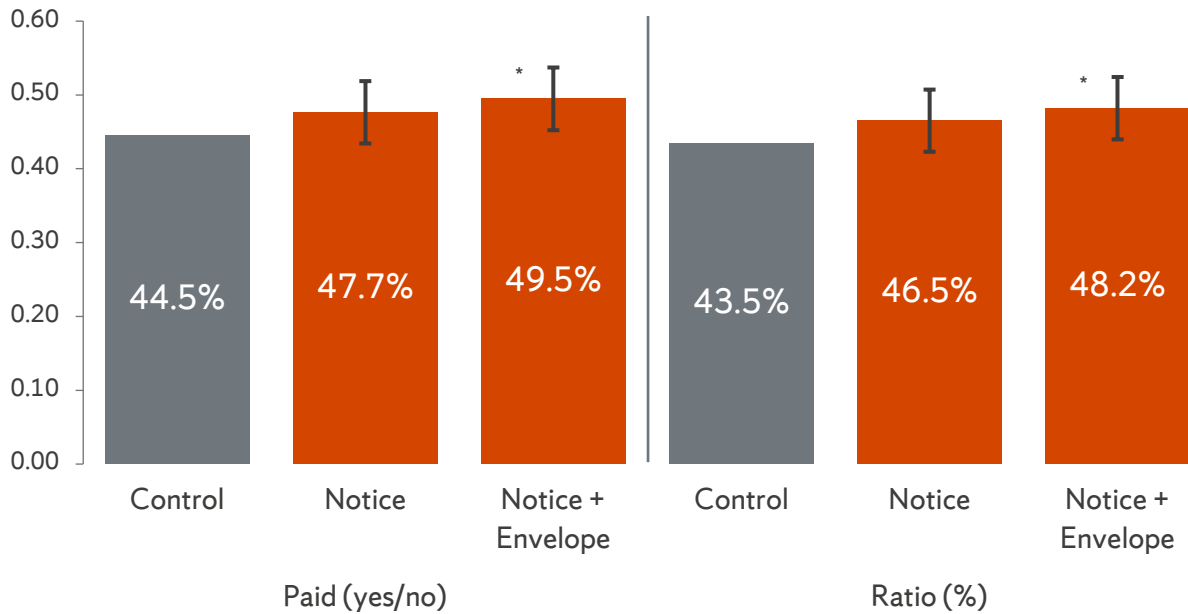
F2: Delinquent Average Amount Paid



n = 2,722 | \*\*\* p<.001, \*\* p<.01, \* p<.05, + p<.08<sup>2</sup>

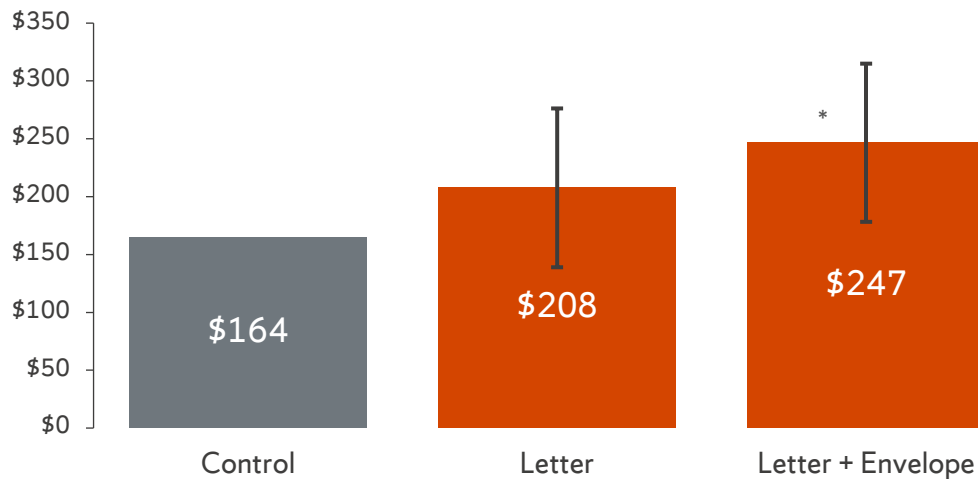
Property owners who received the courtesy notice + envelope for late taxes (2017-18) were 11 percent more likely to pay and paid 11 percent more of their bill, on average (F3). In dollar terms (F4), the notice + envelope paid on average \$82 (50%) more than the control (\$164).<sup>3</sup> Between both trials, the courtesy notices brought in at least an additional \$1.47 million to the City.<sup>4</sup>

F3: Late Tax Payment Probability and Proportion



n = 7,321 | \*\*\* p<.001, \*\* p<.01, \* p<.05

#### F4: Late Average Amount Paid



n = 7,321 | \*\*\* p<.001, \*\* p<.01, \* p<.05

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<sup>1</sup> The pooled treatment numbers are reported because both treatment conditions had similar effects.

<sup>2</sup> The results control for amount owed. The p-value of payment amount for the combined treatment is .078. When we perform a log transformation of payments, the treatment p-value < .001.

<sup>3</sup> The results control for amount owed.

<sup>4</sup> 1,847 delinquent treatment properties \* \$684 treatment effect = \$1.26 million; and 2,468 late letter + envelope properties \* \$82 = \$0.203 million