



## Homeowners in Birmingham, Ala., Louisville, Ky., and Salt Lake City Pay the Lowest Real Estate Taxes

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### LendingTree looks at real estate taxes in the nation's largest metropolitan areas

CHARLOTTE, N.C., March 26, 2019 /PRNewswire/ -- LendingTree®, the nation's leading online loan marketplace, today released its [study](#) on how owning real estate impacts people in different areas around the country from a tax perspective.



LendingTree looked at the average amount of real estate taxes (also known as "property taxes"), mortgage interest and mortgage insurance premiums that were paid by homeowners in a given metro, as reflected on their tax returns. The study then ranked the nation's 50 largest metros to show where people paid the lowest taxes on their homes.

The purpose of the study is not only to show where real estate taxes are the lowest, but also to help familiarize the average person with a few key elements present in the 2017 Trump tax bill. That way, homeowners will not only have a better understanding of what their tax burden is like compared to other people from around the country, but they will also have a better idea of the kinds of steps they need to take to maximize their tax refund.

#### Key findings

- **People from metros in more rural states tend to pay less in real estate taxes.** Homeowners in Birmingham, Ala., Louisville, Ky., and Salt Lake City pay an average of \$2,600 on real estate taxes, which is the lowest out of the nation's 50 largest metros.
- **Those who live in metros in more heavily-populated and urban states tend to pay higher real estate taxes.** Homeowners in New York, San Jose, Calif., and San Francisco paid an average of \$9,400 in real estate taxes, close to double the average amount paid across the 50 largest metros.
- **The average amount of mortgage interest paid across all metros is about \$8,500.** People who pay high yearly interest costs on their mortgage might benefit from itemizing their tax returns. As a result, if you want to make sure you're saving the most on your taxes, you should pay careful attention to how much mortgage interest you are paying.
- **The average mortgage insurance premium charged to someone living in one of the nation's largest metros is about \$1,600.** As with mortgage interest, people who pay high mortgage insurance premiums can sometimes save on their taxes by itemizing. Most homeowners will likely be better off by trying to avoid paying mortgage insurance premiums all together — they can do this by having equity of 20 percent or higher in their home.
- **Relatively few Americans itemize their tax returns because they either save more by taking the standard deduction or find taking it more convenient.** People who pay very high property taxes, mortgage interest and/or mortgage insurance premiums can sometimes save more by not taking the standard deduction and instead itemizing their tax returns, but this usually isn't the case. Consequently, this is why around 7 in 10 federal tax returns filed don't contain any specific info on things like real estate taxes or mortgage interest paid.

#### Metros with the lowest real estate taxes

##### Birmingham, Ala.

% of returns with real estate taxes: 26.5%

Average real estate tax amount: \$2,035

% of returns with mortgage interest paid: 24.0%

Average mortgage interest paid: \$7,455

% of returns with mortgage insurance premiums paid: 4.1%

Average mortgage insurance premium amount: \$1,200

##### Louisville, Ky.

% of returns with real estate taxes: 27.7%

Average real estate tax amount: \$2,733  
% of returns with mortgage interest paid: 24.2%  
Average mortgage interest paid: \$6,297  
% of returns with mortgage insurance premiums paid: 4.3%  
Average mortgage insurance premium amount: \$1,227

#### **Salt Lake City**

% of returns with real estate taxes: 31.1%  
Average real estate tax amount: \$2,765  
% of returns with mortgage interest paid: 27.8%  
Average mortgage interest paid: \$8,328  
% of returns with mortgage insurance premiums paid: 6.6%  
Average mortgage insurance premium amount: \$1,758

#### **Metros with the highest real estate taxes**

##### **New York**

% of returns with real estate taxes: 28.7%  
Average real estate tax amount: \$10,202  
% of returns with mortgage interest paid: 23.2%  
Average mortgage interest paid: \$9,868  
% of returns with mortgage insurance premiums paid: 1.49%  
Average mortgage insurance premium amount: \$2,076

##### **San Jose, Calif.**

% of returns with real estate taxes: 32.7%  
Average real estate tax amount: \$9,626  
% of returns with mortgage interest paid: 28.0%  
Average mortgage interest paid: \$15,044  
% of returns with mortgage insurance premiums paid: 0.6%  
Average mortgage insurance premium amount: \$2,408

##### **San Francisco**

% of returns with real estate taxes: 31.8%  
Average real estate tax amount: \$8,493  
% of returns with mortgage interest paid: 27.6%  
Average mortgage interest paid: \$14,496  
% of returns with mortgage insurance premiums paid: 1.0%  
Average mortgage insurance premium amount: \$2,329

To view the full report, visit [www.lendingtree.com/home/mortgage/real-estate-taxes-in-metropolitan-areas](http://www.lendingtree.com/home/mortgage/real-estate-taxes-in-metropolitan-areas).

#### **About LendingTree**

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