## 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).[1] 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).[2]

F1: Delinquent Tax Payment Probability and Proportion
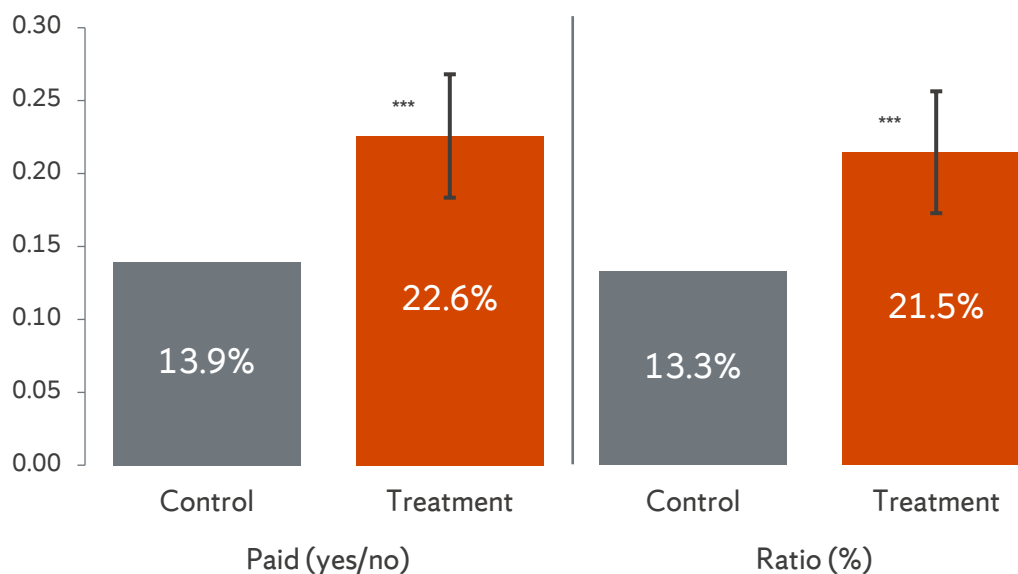

n = 2,722 | *** p<.001, ** p<.01, * p<.05

F2: Delinquent Average Amount Paid
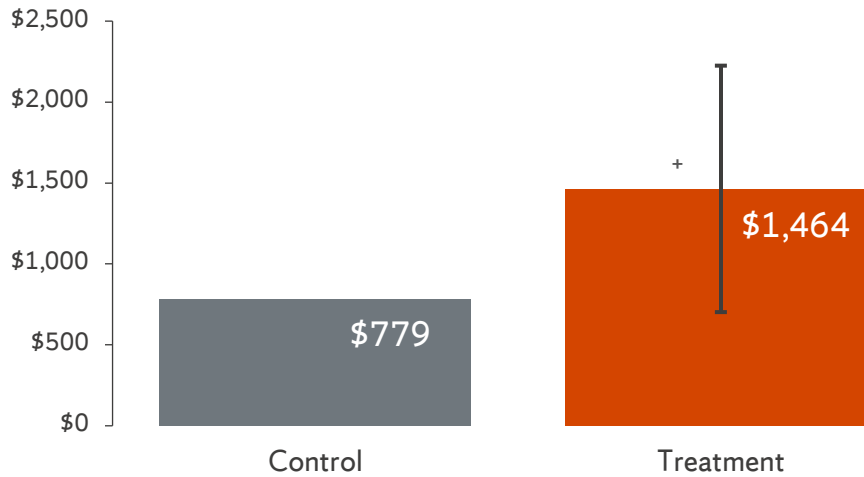
n = 2,722 | *** p<.001, ** p<.01, * p<.05, + p<.08[2]

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).[3] Between both trials, the courtesy notices brought in at least an additional $1.47 million to the City.[4]

F3: Late Tax Payment Probability and Proportion
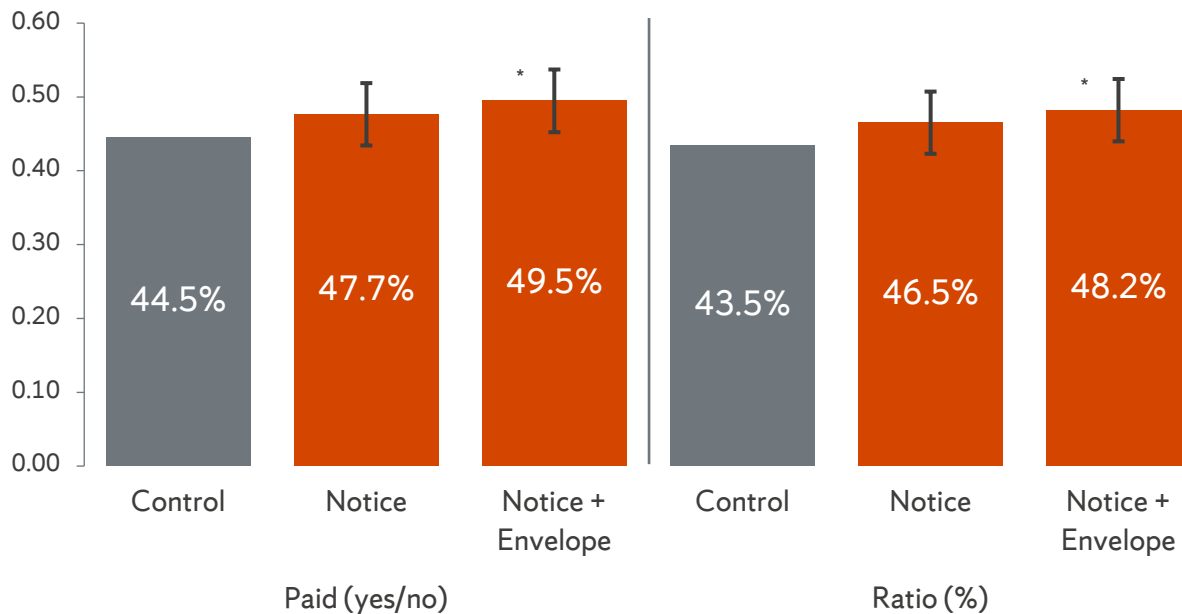
n = 7,321 | *** p<.001, ** p<.01, * p<.05

F4: Late Average Amount Paid
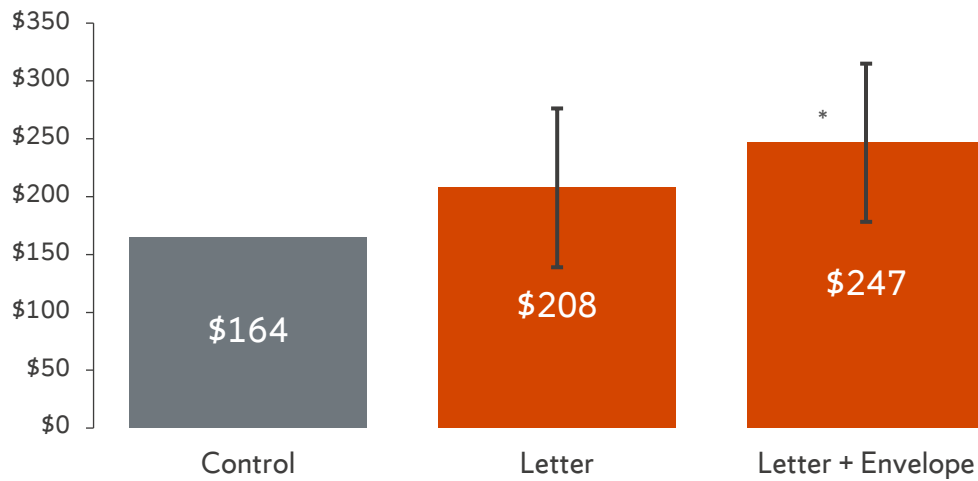
n = 7,321 | *** p<.001, ** p<.01, * p<.05

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[1] The pooled treatment numbers are reported because both treatment conditions had similar effects.

[2] 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.

[3] The results control for amount owed.

[4] 1,847 delinquent treatment properties * $684 treatment effect = $1.26 million; and 2,468 late letter +envelope properties * $82 = $0.203 million