

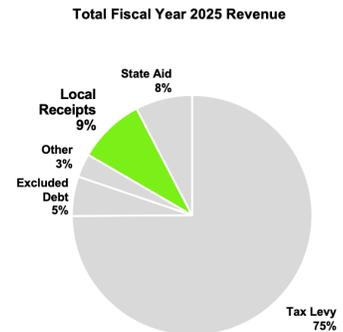
Inside Town Finances

Volume 2: Local Receipts

Overview

9% of the Town’s revenue comes from local receipts. As implied by its name, local receipts revenue is collected by the Town for various services, mostly in the form of fees.

Local Receipts revenue is sensitive to overall economic conditions, particularly its largest categories. As this revenue funds ongoing Town operations – and other sources of Town revenue are mostly fixed – the MA Dept of Local Services recommends applying a moderately conservative approach when forecasting these revenues.



What’s included in Local Receipts?

Hingham’s Local Receipts include the following:

- Motor Vehicle Excise Tax (\$5.4 million)** – Motor Vehicle Excise Tax represents over 40% of Hingham’s Local Receipts. Vehicles that are garaged in Hingham are assessed an annual motor vehicle excise tax (rate is set by the Commonwealth) that is based on the value of a vehicle. The higher the value of a vehicle, the higher the excise tax. Amounts collected in a given year are increased by new vehicle sales. The Treasurer/Collector issues and processes excise tax bills and payments.
- Ambulance Revenue (\$1.8 million)** – Hingham operates its own ambulance service, which receives the majority of its revenue from Medicare, Medicaid, and insurance. For fiscal year 2025, Ambulance Revenue offsets 21% of the Fire and Emergency Management operating and capital budget.
- License and Permit Revenue (\$1.5 million)** – The largest revenue source in this category is Building Permits. Building permit revenue is an indicator of New Growth (which is part of the tax levy and is described in more detail in Volume 1 of this series). Building permit revenue offsets many of the costs associated with Town land use and permitting departments. Other sources of revenue in this category include Shellfish permits (administered by the Harbormaster), birth, death, marriage, and business certificates, and dog licenses (all administered by the Town Clerk).
- Meals Tax Revenue (\$1 million)** – in 2009, the MA legislature approved a local option allowing municipalities to levy up to a 0.75% tax on the purchase of prepared foods for immediate consumption (but not necessarily eaten in a restaurant). The 2010 Annual Town Meeting authorized this tax at the maximum allowed limit. At that time, potential annual revenue was estimated to be \$250,000.
- Payment in Lieu of Taxes (\$0.8 million)** – Some Hingham businesses make a payment in lieu of property taxes.
- Investment Income (\$0.9 million)** – Hingham invests its cash on hand (also called free cash) in low-risk securities. Hingham does not engage in speculative investments of Town funds. The amount of investment income received is a function of both the amount of cash on hand and interest rates. As such, investment income can greatly fluctuate from one year to another.
- All Other (\$1.4 million)** - This includes penalties and interest, charges for services, special assessments, fines and forfeits, and departmental revenue.

