

A Short Summary of Property Tax Calculations

The property tax process uses several technical terms. This sheet illustrates how these terms are used. The Tax Levy is set each November by the County. The Levy is allocated or spread to the municipalities based upon their share of the Equalized Assessed Value. The Levy is divided by the Equalized Assessed Value to determine the Tax Rate also known as the Mill Rate. The local municipality allocates the Levy based upon assessed value of each property.

How the Tax Rate is calculated:

Levy divided by **Equalized Assessed Value** multiplied by **1,000 = Tax Rate**

$$37,696,522 \quad / \quad 9,254,040,050 \quad * \quad 1,000 \quad = \quad \$4.074 \text{ per thousand}$$

Application of Tax Rate on a home owners property

Assessed Value divided by **1,000** multiplied by **Tax Rate = Property Tax**

$$100,000 \quad / \quad 1,000 \quad x \quad 4.074 \quad = \quad \$407.40$$

Definitions:

- (2) - **Tax Levy** - The amount to be raised by general property taxes for the purposes stated in the budget, to support County activities. Property taxes are levied in the current year for subsequent year appropriations.
- (5) - **Assessed Values** - A valuation set upon real estate and certain personal property by the local assessor as a basis for levying property taxes.
- (1) - **Equalized Assessed Value** - a valuation set upon real estate and certain personal property by the municipal assessor equalized statewide by the State Department of Revenue and used as a basis for allocating property taxes.
- (3) - **Mill Rate or Tax Levy Rate** - The amount of taxes levied for each \$1,000 (mill (4)) of assessed property valuation.
- (4) - **Mill** - .001 of one dollar.