

How Property Taxes are Calculated

Property Taxes to be Collected, Assessed Valuation, and Mill Rates

Mill Rate Calculation

$$\frac{\text{Total Property Taxes to be Collected}}{\text{Total Assessed Value}} \times 1,000 = \text{Average Mill Rate}$$

By definition, one mill is equivalent to \$1 owed per \$1,000 (i.e. one-thousandth of a dollar)

Scenario 1 - Changes in Total Assessed Value

Line	Mill Rate Calculation			D	Homeowner Taxes		
	A	B	C		E	F	G
	Total Property Taxes to be Collected	Total Assessed Value	Tax per Dollar of Assessed Valuation	Mill Rate (x 1,000)	Taxes Per \$100K Assessed Value	\$350K Avg Assessed Value *	Taxes Per \$350K Avg Assessed Value
1	Base Tax Year	320,000,000 / 34,000,000,000 =	0.0094	9.41	941	350,000	3,294
2		0%	10%			10%	
3	Taxes stay same, AV goes up	320,000,000 / 37,400,000,000 =	0.0086	8.56	856	385,000	3,294
4		0%	-10%			-10%	
5	Taxes stay same, AV goes down	320,000,000 / 30,600,000,000 =	0.0105	10.46	1,046	315,000	3,294

* Assumes House Assessed Value changes at the same rate as the Total Assessed Value

Scenario 2 – 10% Increase in Property Taxes and Changes in Total Assessed Value

Line	Mill Rate Calculation			D	Homeowner Taxes			
	A	B	C		E	F	G	
	Total Property Taxes to be Collected	Total Assessed Value	Tax per Dollar of Assessed Valuation	Mill Rate (x 1,000)	Taxes Per \$100K Assessed Value	\$350K Avg Assessed Value *	Taxes Per \$350K Avg Assessed Value	
1	Base Tax Year	320,000,000	34,000,000,000	= 0.0094	9.41	941	350,000	3,294
2		10%	0%				0%	
3	Taxes go up, AV stays same	352,000,000	34,000,000,000	= 0.0104	10.35	1,035	350,000	3,624
4		10%	10%				10%	
5	Taxes go up, AV goes up	352,000,000	37,400,000,000	= 0.0094	9.41	941	385,000	3,624
6		10%	-10%				-10%	
7	Taxes go up, AV goes down	352,000,000	30,600,000,000	= 0.0115	11.50	1,150	315,000	3,624

* Assumes House Assessed Value changes at the same rate as the Total Assessed Value

Scenario 3 – 10% Decrease in Property Taxes and Changes in Total Assessed Value

Line	Mill Rate Calculation			D	Homeowner Taxes			
	A	B	C		E	F	G	
	Total Property Taxes to be Collected	Total Assessed Value	Tax per Dollar of Assessed Valuation	Mill Rate (x 1,000)	Taxes Per \$100K Assessed Value	\$350K Avg Assessed Value *	Taxes Per \$350K Avg Assessed Value	
1	Base Tax Year	320,000,000	34,000,000,000	= 0.0094	9.41	941	350,000	3,294
2		-10%	0%				0%	
3	Taxes go down, AV stays same	288,000,000	34,000,000,000	= 0.0085	8.47	847	350,000	2,965
4		-10%	10%				10%	
5	Taxes go down, AV goes up	288,000,000	37,400,000,000	= 0.0077	7.70	770	385,000	2,965
6		-10%	-10%				-10%	
7	Taxes go down, AV goes down	288,000,000	30,600,000,000	= 0.0094	9.41	941	315,000	2,965

* Assumes House Assessed Value changes at the same rate as the Total Assessed Value