

## EXAMPLE FOR RESIDENTIAL PROPERTY

The actual value of Professor Plum's home is \$300,000. The Notice of Valuation shows the current assessment percentage is 7.15 percent.

$$\begin{aligned} &\text{Actual Value} \times \text{Assessment Percentage} = \text{Assessed Value} \\ &\$ 300,000 \text{ Actual Value} \times 7.15\% \text{ Assessment Percentage} = \$ 21,450 \text{ Assessed Value} \end{aligned}$$

To determine the property tax, multiply the **assessed value** times the **decimal equivalent of the total mill levy**. A mill is equal to 1/1000 of a dollar. A tax rate is the mill levy expressed as a percentage. Thus 98.42 mills = 9.842 percent or .09842 as the decimal equivalent.

$$\begin{aligned} &\text{If Professor Plum's assessed value is } \$21,450, \text{ his taxes will be:} \\ &\quad \text{Assessed Value} \times \text{Mill Levy} = \text{Taxes} \\ &\$ 21,450 \text{ Assessed Value} \times .09842 \text{ Mill Levy} = \$ 2,111.00 \text{ Taxes} \end{aligned}$$

## EXAMPLE FOR VACANT LAND

The actual value of Ms. Peacock's vacant land parcel is \$150,000, and the assessment percentage is 29 percent.

$$\begin{aligned} &\text{Actual Value} \times \text{Assessment Percentage} = \text{Assessed Value} \\ &\$ 150,000 \text{ Actual Value} \times 29\% \text{ Assessment Percentage} = \$43,500 \text{ Assessed Value} \end{aligned}$$

To calculate the property tax for Ms. Peacock's land, multiply the **assessed value** times the **decimal equivalent of the total mill levy**. A mill is equal to 1/1000 of a dollar. A tax rate is the mill levy expressed as a percentage. Thus 98.42 mills = 9.842 percent or .09842 as the decimal equivalent.

$$\begin{aligned} &\text{If Ms. Peacock's assessed value is } \$43,500, \text{ her taxes will be:} \\ &\quad \text{Assessed Value} \times \text{Mill Levy} = \text{Taxes} \\ &\$ 43,500 \text{ Assessed Value} \times .09842 \text{ Mill Levy} = \$ 4,281.27 \text{ Taxes} \end{aligned}$$