

How are real estate taxes calculated?

The steps outlined below show how a real estate tax bill is calculated. The calculations used in the example are for a \$100,000 property. Full tax rates and reduction factors can be found on the tax rate sheet. This example uses a full rate of 96.15 and a reduction factor of .392630.

This example includes the 2.5% reduction (owner occupied residence).

Determine the assessed value

Formula: (Appraised Value) x 35% = Assessed Value

Example: \$100,000 x .35 = \$35,000

Divide (Assessed Value) in half to Calculate Half-Year Tax Bill Amount.

Formula: (Appraised Value) / 2 = Assessed Value (For Half-Year Tax Bill Calculation)

Example: \$35,000 / 2 = \$17,500

Calculate the gross tax

Formula: (Assessed Value x (Full Rate) = Gross Tax (for Half-Year) / 1,000

Example: \$17,500 x 96.15 / 1,000 = \$1,682.63

Calculate the reduction factor credit amount

Formula: (Gross Tax) x (Reduction Factor) = Credit

Example: \$1,682.63 x .392630 = \$660.65

Reduce the gross tax by the reduction factor credit amount

Formula: (Gross Tax) - (Reduction Factor Credit) = Adjusted Tax

Example: \$1,682.63 - \$660.65 = \$1,021.98

Calculate the rollback credit amount

Formula: (Adjusted Tax) x (Rollback) = 10% Rollback Reduction

Example: \$1,021.98 x .10 = \$102.20

For "Owner-Occupied" Residential Properties, there is an additional 2.5% Rollback.

Formula: (Adjusted Tax) x (Rollback) = 2.5% Rollback Reduction

Example: \$1,021.98 x .025 = \$25.55

Reduce Adjusted Tax by Total Rollback for Half-Year Tax Amount.

Formula:

$$(10\% \text{ Rollback}) + (2.5\% \text{ Rollback}) = \text{Total Rollback Reduction}$$

$$(\text{Adjusted Tax Amount}) - (\text{Total Rollback Reduction}) = \text{Total Half-Year Tax Amount.}$$

Example:

$$\$102.20 + \$25.55 = \$127.75$$

$$\$1,021.98 - \$127.75 = \$894.23$$

Half Year Tax Amount: \$894.23 (Billed Semi-Annually)

Full Year Tax Amount: \$1,788.46