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.

*\*Please note beginning tax year 2016, calendar year 2017 the owner occupancy credit and the non business credit are no longer a flat 2.5% and 10%. All districts will have different amounts for these rollbacks.*

This example includes the OOC 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) = Non-Business Rollback Reduction

Example: $1,021.98 x (Non-Business rate) = $90.99 *(for this example, use 0.089031 for Non-Business Rate)*

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

Formula: (Adjusted Tax) x (Rollback) = Owner Occupied Credit (Rollback Reduction)

Example: $1,021.98 x OOC rate = $22.75 *(for this example, use 0.022257 for the Owner Occupancy Credit Rate)*

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

Formula:

 (Non Business Credit ) + (Owner Occupancy Credit) = Total Rollback Reduction

 (Adjusted Tax Amount) - (Total Rollback Reduction) = Total Half-Year Tax Amount.

Example:

 $90.99 + $22.75 = $113.74

 $1,021.98 - $113.74 = $908.24

 Half Year Tax Amount: $908.24 (Billed Semi-Annually)

 Full Year Tax Amount: $1,816.48 Annual Amount Due