Example One: Before values decrease and a taxing district is not at its statutory limit at $2.00 per thousand dollars of assessed value.

- The taxing authority decides how much money the property tax has to collect that year, say $1 million.
- Assessors estimate the total assessed value (A/V) of all taxable property within the district is $1 billion.
- A tax rate (levy rate) is calculated by dividing the amount of tax to be raised by the total A/V of the district: $1 million/$1 billion = $1.00 per thousand dollars of A/V.
- If your home's assessed taxable value is $100,000, your share of the taxes will be: .001 x $100,000 = $100

Example Two: Before values decrease and a taxing district is at its statutory limit at $2.00 per thousand dollars of assessed value.

- The taxing authority decides how much money the property tax has to collect that year, say $1 million.
- Assessors estimate the total assessed value (A/V) of all taxable property within the district is $500 million.
- A tax rate (levy rate) is calculated by dividing the amount of tax to be raised by the total A/V of the district: $1 million/$500 million = $2.00 per thousand dollars of A/V.
- If your home's assessed taxable value is $100,000, your share of the taxes will be: .002 x $100,000 = $200

Example Three: After values decrease, the calculated levy rate increases to $4.00. The rate is still limited to $2.00 without going to a vote of the people.

- The taxing authority decides how much money the property tax has to collect that year, say $1 million.
- Assessors estimate the total assessed value (A/V) of all taxable property within the district is $250 million. (A 50% reduction in assessed value from example two.)
- A tax rate (levy rate) is calculated by dividing the amount of tax to be raised by the total A/V of the district: $1 million/$250 million = $4.00 per thousand dollars of A/V, which exceeds the $2.00 limit and the district can not collect at $4.00, only at $2.00. If your home's assessed taxable value is $50,000, your share of the taxes will be: .002 x $50,000 = $100.
- This districts tax to be collected is reduced to $500,000 instead of $1 million.

Example Four: After Values decrease and the taxing district's statutory limit is $3.00.

- The taxing authority decides how much money the property tax has to collect that year, say $1 million.
- Assessors estimate the total assessed value (A/V) of all taxable property within the district is $450 million. (A 10% reduction in assessed value from the previous assessment.)
- A tax rate (levy rate) is calculated by dividing the amount of tax to be raised by the total A/V of the district: $1 million/$450 million = $2.22 per thousand dollars of A/V, which does not exceed the $3.00 limit and the district can collect at $2.22.
- If your home's assessed taxable value is $90,000, your share of the taxes will be: .00222 x $90,000 = $200.
- The districts tax to be collected is not reduced.