

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: $\$1 \text{ million} / \$1 \text{ billion} = \$1.00$ per thousand dollars of A/V.
- If your home's assessed taxable value is \$100,000, your share of the taxes will be: $.001 \times \$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 \$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: $\$1 \text{ million} / \$1 \text{ billion} = \$1.00$ per thousand dollars of A/V.
- If your home's assessed taxable value is \$100,000, your share of the taxes will be: $.001 \times \$100,000 = \100

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: $\$1 \text{ million} / \$250 \text{ million} = \$4.00$ 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 \times \$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: $\$1 \text{ million} / \$450 \text{ million} = \$2.22$ 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 \times \$90,000 = \200 .
- The districts tax to be collected is not reduced.