

## What is the mill levy?

The mill levy is the "tax rate" that is applied to the assessed value of a property. One mill is one dollar per \$1,000 dollars of assessed value. It consists of a local portion which is used to fund area services and a statewide portion which is used to fund public schools. The Legislature and Governor reduced the statewide school mill levy from 35 mills in 1996 to 20 mills currently. In addition, the first 20,000 in appraised value of a home is exempt from the statewide school mill levy starting in 1997.

## How to calculate property taxes

Follow these simple steps:

1. Multiply the appraised value by the appropriate "assessment percentage" of property.

For example - use RU/RR of 11.5% (.115)

$$\underline{\hspace{2cm}} \quad \times \quad .115 \quad = \quad \underline{\hspace{2cm}}$$

appraised value                      assessment rate                      assessed value

2. Multiply the assessed value by the "mill levy" (which is listed under the tax unit the property is located) and then divide by 1,000 to estimate the property tax.

$$\underline{\hspace{2cm}} \quad \times \quad \underline{\hspace{2cm}} \quad \div \quad 1,000 \quad = \quad \$ \underline{\hspace{2cm}}$$

assessed value                      mill levy                      tax bill

3. Effective for tax year 1999, the first \$20,000 in appraised value of a residential property is exempt from the 20 mill statewide portion of the mill levy. This includes RR/RU and FR/FU properties as well as personal property manufactured/mobile homes.

For example, if the appraised value of the home is \$20,000 or more, the amount of the tax bill will be reduced as follows:

$$20,000 \quad \times \quad .115 \quad = \quad 2,300 \quad \times \quad 20 \text{ mills} \quad \div \quad 1,000 \quad = \quad \mathbf{\$46}$$

appraised value      assessment      assessed value      statewide school mill levy      amount of reduction

If the home is appraised for less than 20,000, use the appraised value and follow the same procedures as shown in the above example.