RE: Mill levy calculations

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- ✓ How is the value of one mill calculated?
- ✓ What is the difference between "appraised" value and "assessed" value?
- ✓ How is assessed value determined?
- ✓ I need "x" in ad valorem taxes to fund my library. What is the mill levy for my budget?
- ✓ What is the impact of the property tax on a $200,000 home?

What is the mill levy? How is the value of one mill calculated?

The mill levy is the "tax rate" that is applied to the <u>assessed</u> value of a property. One mill is one dollar per $1,000 dollars of assessed value.

The county in which a taxing entity (such as a city) exists will determine the total assessed valuation for the taxing entity. Suppose the City of Pomona had a total assessed valuation of $4,888,446.

      assessed value   /   1000   =   value of one mill
      $4,888,446   /   1000   = $4,888.45

So, one mill for the City of Pomona will generate $4,888.45 in ad valorem (property) taxes.

Appraised value vs Assessed value

The county appraiser appraises property (such as homes) at "fair market value" as it exists the first day of January each year. This is the "appraised" value.

The "assessed" value of the property is determined using the formula below. The assessment rate is set in the Kansas State Constitution and is currently 11.5% for residential property. The assessed value is used to determine the value of one mill.

      appraised value   x   assessment rate   =   assessed value
      $200,000   x   0.115   = $23,000

So, a home appraised at $200,000 has an <u>assessed</u> value of $23,000

I need "x" in ad valorem taxes to fund my library. What is the mill levy rate for my budget?

Suppose the library budget will require $52,247 in ad valorem taxes.

The value of one mill is $4,888.45.

ad valorem tax dollars needed   /   value of one mill   =   mill levy rate

$52,247   / $4,888.45   =   10.688 mills

What is the impact of the library's property tax on a $200,000 home?

The assessed value on a $200,000 home is $23,000

Mill levy rate for the library is 10.689 mills

(assessed value   x   mill levy rate)   /   1000   =   property tax for library

($23,000   x   10.688) /   1000   =   property tax for library

$245,824 /   1000   =   property tax for library

$245.82   =   property tax for library