

COUNTY OF NEWBERRY **-FINANCE-**

Lesson One: Tax Mill



MAIN POINTS

1. Determining the value of a tax mill
2. Determining a rate of taxation necessary to service a budget
3. Applying the tax rate to an assessed value to compute property tax liability



ASSESSED VALUE vs. MARKET VALUE



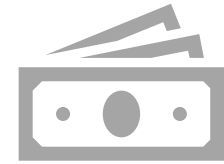
Market Value

fair market value of property



Assessed Value

taxable value of property
= appraised value x
assessment ratio



Assessment Ratio

percentage of fair market
value used to determine
assessed value



ASSESSMENT RATIO

By statute, different types of property have different assessment ratios.

PROPERTY TYPE	ASSESSMENT RATIO
➤ Home (owner-occupied)	4%
➤ Personal Property (e.g., automobile or boat)	6%
➤ Business Real Estate ➤ Rental Properties ➤ Second Home (non-income producing)	6%
➤ Agricultural-Use Property (statutory value)	4%
➤ Some Properties (e.g., furniture, fixtures, and equipment for business or industry)	10.5%



EXAMPLES of ASSESSED VALUE

PROPERTY TYPE	MARKET VALUE		ASSESSMENT RATIO		ASSESSED VALUE
HOME (Owner-Occupied)	\$200,000	x	4% (.04)	=	\$8,000
AUTOMOBILE (Personal Property)	\$20,000	x	6% (.06)	=	\$1,200
BUSINESS REAL ESTATE or SECOND HOME	\$400,000	x	6% (.06)	=	\$24,000
FURNITURE, FIXTURES, EQUIPMENT (Business or Industry)	\$60,000	x	10.5% (.105)	=	\$6,300



VALUE OF ONE TAX MILL (FY 2020-2021)

For any given jurisdiction, the value of one tax mill is equal to the combined total of all assessed values for all taxable properties within that jurisdiction divided by 1,000 (or multiplied by .001).

145,447,000

1,000

= \$145,447

Total of all assessed values
for all taxable properties
within the County

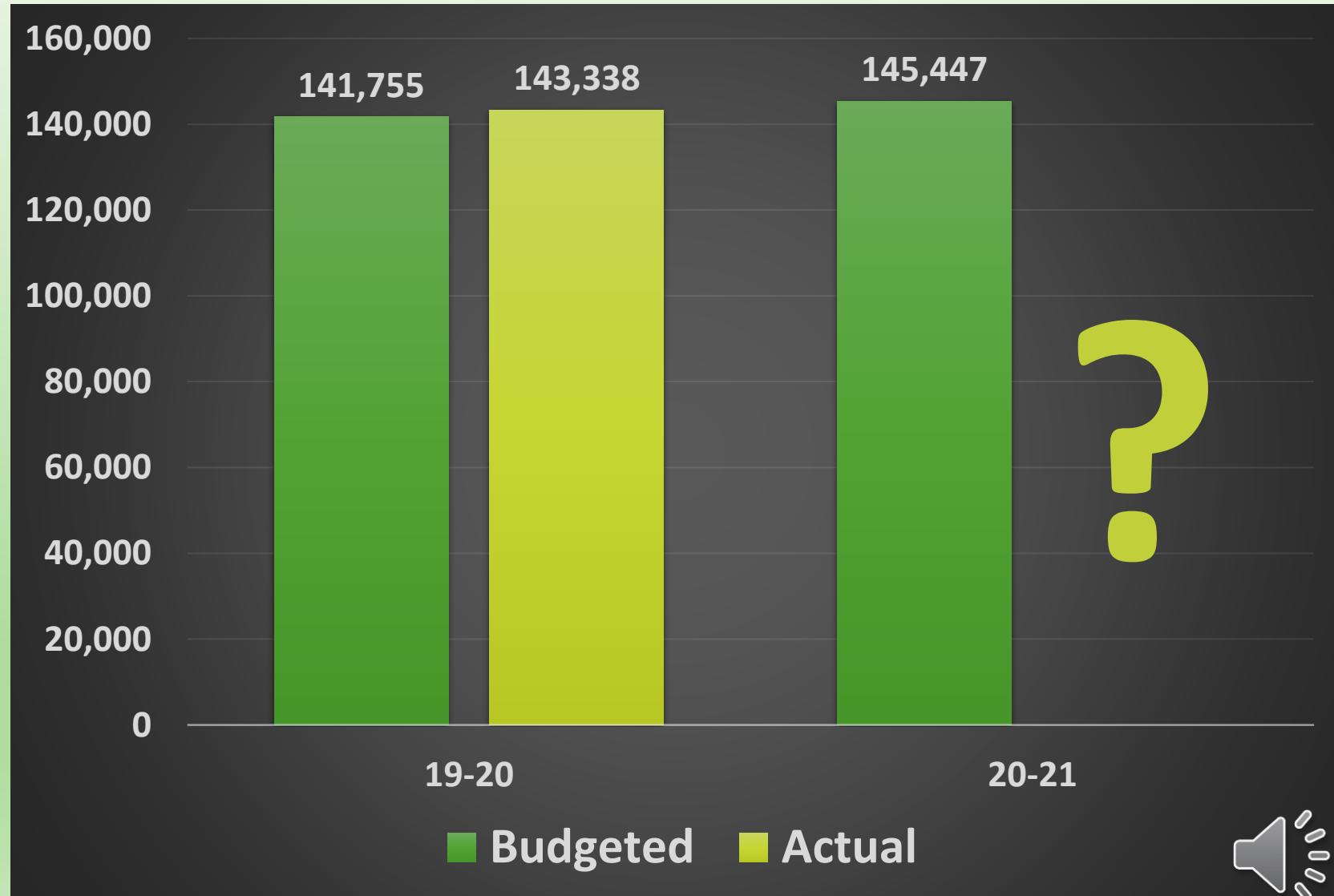
The value of one
tax mill



NEWBERRY COUNTY

Value of One Tax Mill

FISCAL YEAR (July 1- June 30)	BUDGETED MILL VALUE	ACTUAL/ COLLECTED MILL VALUE
19-20	\$141,755	\$143,338
20-21	\$145,447	Reported in audited financial statements of June 30, 2021



WHY THE VALUE of a TAX MILL MATTERS

The tax millage – the total number of mills levied – determines both the total of property taxes collected by the County and the individual property owner’s property tax liability.

\$26,661,566 County’s general operating spending needs
- 9,294,257 Revenues from sources other than property taxes
\$17,367,309 Property tax needs

\$17,367,309 Property tax needs
÷ 145,447 Estimated mill value
119.4 Number of mills required

119.4	
÷ 1,000	
<u>.1194</u>	Millage Rate



EXAMPLES of PROPERTY TAX LIABILITY

PROPERTY TYPE	MARKET VALUE		ASSESSMENT RATIO		ASSESSED VALUE		TAX/ MILLAGE RATE		TAX DUE
HOME (Owner-Occupied)	\$200,000	x	4% (.04)	=	\$8,000	x	.1194	=	\$955.20
AUTOMOBILE (Personal Property)	\$20,000	x	6% (.06)	=	\$1,200	x	.1194	=	\$143.28
BUSINESS REAL ESTATE or SECOND HOME	\$400,000	x	6% (.06)	=	\$24,000	x	.1194	=	\$2,865.60
FURNITURE, FIXTURES, EQUIPMENT (Business or Industry)	\$60,000	x	10.5% (.105)	=	\$6,300	x	.1194	=	\$661.50

