

Handouts

Property Tax Levies

**Prepared for the 2018 Annual Local
Government Officials' Conference
March 23, 2018**

Tax Equalization Division
Ohio Department of Taxation

Rollback Factor Calculations

Full Effective Millage	46.591386
Effective Millage of Qualified levies	41.591386

- 10% RB → **Non-business Credit**
 - (qualified effective millage/full effective millage)***0.1** = Rollback Factor
 - (41.591386/46.591386)***0.1** = 0.089268
- 2½% RB → **Owner Occupancy Credit**
 - (qualified effective millage/full effective millage)***0.025** = Rollback Factor
 - (41.591386/46.591386)***0.025** = 0.022317

What's this look like to the individual taxpayer?

- Individual Taxpayer

52.15	Full Rate
0.106589	Tax Reduction Factor
0.089268	Non-Business Rollback Credit
0.022317	Owner Occupancy Rollback Credit
46.591386	Effective Rate
\$180,000	Market Value
\$63,000	Assessed Value
\$3,285	Full Tax
\$350	Reduction from TRF
\$2,935	Subtotal
\$262	-Non-Business Reimbursement
\$66	-Owner Occupancy Reimbursement
\$362	-Homestead Credit
\$2,245	Net Taxes Due

Tax Reduction Factors (Simple Example)

ILLUSTRATION

	Taxpayer 1	Taxpayer 2	Jurisdiction
Taxable Value Before Reappraisal	\$40,000	\$40,000	\$50,000,000
Taxes Before Reappraisal (50 mill rate)	\$2,000	\$2,000	\$2,500,000
Taxable Value After Reappraisal	\$46,000	\$42,000	\$55,000,000
Taxes After Reappraisal (45.45 mill rate)	\$2,091	\$1,909	\$2,500,000

- Valuation in district increases 10 percent, but Taxpayer 1's value increases 15% and
- Taxpayer 2's value increases 5%
- Assumes all 50 mills of tax are outside levies subject to reduction

Basic TRF Calculation

	AUTHORIZE D RATE (MILLS)	2008 TRF	2008 EFFECTIVE RATES (MILLS)	2008 TAXES CHARGED	NEW 2009* TRF	NEW 2009 EFFECTIVE RATES (MILLS)	2009 ACTUAL TAXES CHARGED	REVENUE INCREASE FROM 2008
Tax Rates: ABC Township								
Inside General Fund	3.00	-----	3.00	\$ 27,000	-----	3.00	\$ 30,000	\$ 3,000
Voted								
2006 Police	3.00	.1000	2.70	24,300	.1900	2.43	24,300	0
2000 Fire	2.00	.4000	1.20	10,800	.4600	1.08	10,800	0
2003 EMS	1.00	.2000	0.80	7,200	.2800	0.72	7,200	0
TOTAL	9.00	.1444	7.70	\$69,300	.1967	7.23	\$72,300	\$ 3,000

*Carryover Value Calculation – 2009: Res/Ag	
2008 Total Taxable Value	\$9,000,000
2009 Valuation Change	
New Construction	0
Reappraisal	+1,000,000
2009 Total Taxable Value	\$10,000,000
2009 Carryover Value	= \$10,000,000

Effect of New Construction on Revenues - First Year

	AUTHORIZED RATE (MILLS)	2008 TRF	2008 EFFECTIVE RATES (MILLS)	2008 TAXES CHARGED	NEW 2009* TRF	NEW 2009 EFFECTIVE RATES (MILLS)	2009 ACTUAL TAXES CHARGED	REVENUE INCREASE FROM 2008
Tax Rates: ABC City								
Inside Current Expense	3.00	-----	3.00	\$ 27,000	-----	3.00	\$ 30,000	\$ 3,000
Voted								
2006 Police	3.00	.1000	2.70	24,300	.1000	2.70	27,000	2,700
2000 Fire	2.00	.4000	1.20	10,800	.4000	1.20	12,000	1,200
2003 EMS	1.00	.2000	0.80	7,200	.2000	0.80	8,000	800
TOTAL	9.00	.1444	7.70	\$ 69,300	.1444	7.70	\$ 77,000	\$ 7,700

*Carryover Value Calculation – 2009: Res/Ag	
2008 Total Taxable Value	\$9,000,000
2009 Valuation Change	
New Construction	+1,000,000
Reappraisal	0
2009 Total Taxable Value	\$10,000,000
2009 Carryover Value	= \$9,000,000 (10,000,000 – 1,000,000)

Effect of New Construction on Revenues - Second Year, No Value Change

	AUTHORIZED RATE (MILLS)	2009 TRF	2009 EFFECTIVE RATES (MILLS)	2009 TAXES CHARGED	NEW 2010* TRF	NEW 2010 EFFECTIVE RATES (MILLS)	2010 ACTUAL TAXES CHARGED	REVENUE INCREASE FROM 2009
Tax Rates: ABC City								
Inside Current Expense	3.00	-----	3.00	\$ 30,000	-----	3.00	\$ 30,000	0
Voted								
2006 Current Exp.	3.00	.1000	2.70	27,000	.1000	2.70	27,000	0
2000 Parks & Rec.	2.00	.4000	1.20	12,000	.4000	1.20	12,000	0
2003 Fire & EMS	1.00	.2000	0.80	8,000	.2000	0.80	8,000	0
TOTAL	9.00	.1444	7.70	\$77,000	.1444	7.70	\$77,000	0

*Carryover Value Calculation – 2010: Res/Ag	
2009 Total Taxable Value	\$10,000,000
2010 Valuation Change	
2010 Total Taxable Value	\$10,000,000
2010 Carryover Value	= \$10,000,000

Effect of New Construction on Revenues - Second Year, Reappraisal Change

	AUTHORIZED RATE (MILLS)	2009 TRF	2009 EFFECTIVE RATES (MILLS)	2009 TAXES CHARGED	NEW 2010* TRF	NEW 2010 EFFECTIVE RATES (MILLS)	2010 ACTUAL TAXES CHARGED	REVENUE INCREASE FROM 2009
Tax Rates: ABC City								
Inside Current Expense	3.00	-----	3.00	\$ 30,000	-----	3.00	\$ 33,000	\$ 3,000
Voted								
2006 Police	3.00	.1000	2.70	27,000	.1833	2.45	27,000	0
2000 Fire	2.00	.4000	1.20	12,000	.4550	1.09	12,000	0
2003 EMS	1.00	.2000	0.80	8,000	.2700	0.73	8,000	0
TOTAL	9.00	.1444	7.70	\$ 77,000	.1922	7.27	\$80,000	\$ 3,000

*Carryover Value Calculation – 2010: Res/Ag	
2009 Total Taxable Value	\$10,000,000
2010 Valuation Change Reappraisal	+1,000,000
2010 Total Taxable Value	\$11,000,000
2010 Carryover Value	= \$11,000,000

Effect of Reappraisal Value Decrease on Revenues

	AUTHORIZED RATE (MILLS)	2009 TRF	2009 EFFECTIVE RATES (MILLS)	2009 TAXES CHARGED	NEW 2010* TRF	NEW 2010 EFFECTIVE RATES (MILLS)	2010 ACTUAL TAXES CHARGED	REVENUE CHANGE FROM 2009
Tax Rates: ABC City								
Inside Current Expense	3.00	-----	3.00	\$ 27,000	-----	3.00	\$ 24,000	(\$ 3,000)
Voted								
2006 Police.	3.00	.1000	2.70	24,300	.0000	3.00	24,000	(300)
2000 Fire	2.00	.4000	1.20	10,800	.3250	1.35	10,800	0
2003 EMS	1.00	.2000	0.80	7,200	.1000	0.90	7,200	0
TOTAL	9.00	.1444	7.70	\$ 69,300	.0789	8.29	\$ 66,000	(\$ 3,300)

*Carryover Value Calculation – 2010: Res/Ag	
2009 Total Taxable Value	\$9,000,000
2010 Valuation Change	
New Construction	0
Reappraisal	-1,000,000
2010 Total Taxable Value	\$8,000,000
2010 Carryover Value	= \$8,000,000

New Levy Subject to TRF in First Year – With Positive Reappraisal Change

	2009 AUTHORIZED RATE (MILLS)	2009 TRF	2009 EFFECTIVE RATES (MILLS)	2009 TAXES CHARGED	NEW 2010* TRF	NEW 2010 EFFECTIVE RATES (MILLS)	2010 ACTUAL TAXES CHARGED	REVENUE INCREASE FROM 2009
Tax Rates: ABC City								
Inside Current Expense	3.00	-----	3.00	\$ 27,000	-----	3.00	\$ 30,000	\$ 3,000
Voted 2010 NEW CE 3.00	-----	-----	-----	-----	.1000	2.70	27,000	27,000
2000 Parks and Rec.	2.00	.4000	1.20	10,800	.4600	1.08	10,800	0
2003 Fire & EMS	1.00	.2000	0.80	7,200	.2800	0.72	7,200	0
TOTAL	6.00	.1667	5.00	\$45,000	.1667	7.50	\$75,000	\$ 30,000

*Carryover Value Calculation – 2010: Res/Ag	
2009 Total Taxable Value	\$9,000,000
2010 Valuation Change	
New Construction	0
Reappraisal	+1,000,000
2010 Total Taxable Value	\$10,000,000
2010 Carryover Value	= \$10,000,000

New Levy Subject to TRF in First Year – With Negative Reappraisal Change

	2009 AUTHORIZED RATE (MILLS)	2009 TRF	2009 EFFECTIVE RATES (MILLS)	2009 TAXES CHARGED	NEW 2010* TRF	NEW 2010 EFFECTIVE RATES (MILLS)	2010 ACTUAL TAXES CHARGED	REVENUE INCREASE FROM 2009
Tax Rates: ABC City								
Inside Current Expense	3.00	-----	3.00	\$ 27,000	-----	3.00	\$ 24,000	- \$3,000
Voted 2010 NEW CE 3.00	-----	-----	-----	-----	.0000	3.00	24,000	24,000
2000 Parks and Rec.	2.00	.4000	1.20	10,800	.3250	1.35	10,800	0
2003 Fire & EMS	1.00	.2000	0.80	7,200	.1000	0.90	7,200	0
TOTAL	6.00	.1667	5.00	\$45,000	.0833	8.250	\$66,000	\$ 21,000

*Carryover Value Calculation – 2010: Res/Ag	
2009 Total Taxable Value	\$9,000,000
2010 Valuation Change	
New Construction	0
Reappraisal	-1,000,000
2010 Total Taxable Value	\$8,000,000
2010 Carryover Value	= \$8,000,000