

## **Values are going down, when will taxes go down?**

The short answer is your taxes will go down when spending goes down. Taxing bodies such as schools, villages and townships spend money from taxes collected from you. Plain and simple, if taxing bodies spend less, your taxes will go down.

## **Where does the money go?**

Your taxes go to taxing bodies such as schools, villages and townships etc. They spend money to provide services as a function of government. They develop a budget to fulfill services. Each year all taxing bodies submit a budget request also known as a levy. A levy is the amount of money they are seeking from the property tax. The levy is paid by tax collections. It is paid to the taxing bodies by taxpayers via our real estate tax bills.

## **Who pays for levy request?**

The distribution of money (levy) requested is determined according to property value. Property value equals assessed value. It is my job as Assessor to appraise your property in order to determine your share of the tax burden. The assessed value is used to distribute the levy request. The summed values of all properties is known as the tax base. Your home's value represents your portion of the tax burden.

## **How it is paid?**

Total levy request is distributed on a per value basis. This is known as the tax rate. There are two components; the levy and the tax base. Total levy request is divided by the sum of value for all properties, the tax base. The result is known as the tax rate. It is a tax per value relationship. It is normally expressed as a percentage "8 dollars per hundred dollars assessed"

## **"Tax Pie"**

The best example is to think of a giant tax pie. The tax pie is cut into pieces. Individual assessments comprise slices. Not all slices are equal. The more valuable a property, the bigger the slice of tax pie. The less valuable a property, the smaller slice of tax pie.

## **Tax Bill Example**

A village develops a budget and levies \$1,000,000 to operate. The total assessed value in the village \$25,000,000. The resulting tax rate is \$0.04 per dollar of value or \$4 per hundred dollars of assessed value ( $1,000,000 / 25,000,000 = 0.04$ ). Your property's assessed value is \$100,000 your share of the tax is \$4,000 ( $100,000 \times 0.04 = \$4,000$ )

## **Separate but together**

The levy process and assessment process are two completely different and independent processes. The levy represents the tax burden and the assessed value is apportionment of that burden. Taxing bodies create the levy / tax and the Assessor appraises property. Together these two independent processes combine to fund local government.