

Everybody's Taxes Go Up After a Revaluation Is This True?

No, it is not. If the total tax levy remains the same, only those properties which are not presently paying their fair share of the tax burden (those properties whose assessment is not equitable with similar properties) will pay more taxes after a revaluation. Properties presently paying more than their fair share will pay less.

Example: This example assumes an assessment ratio of 69% prior to the revaluation and 100% following the revaluation.

Prior to the revaluation with a assessment ratio of 69%

\$50,000,000	
Net Tax Levy	= .03872

\$ 1,291,322,300	(Tax Rate)
Total Assessed Value of All the Municipalities' property	

\$50,000,000 (Net Tax Levy) "Divided" by \$1,291,322,300 (Total assessed value of all the municipalities property at an assessment ratio of 69%) = .03872 (Tax Rate)

After the revaluation with a assessment ratio at 100% and if the Tax levy is constant

\$50,000,000	
Net Tax Levy	= .02671

\$ 1,871,481,600	(Tax Rate)
Total Assessed Value of All the Municipalities' property	

\$50,000,000 (Net Tax Levy) "Divided" by \$1,871,481,600 (Total assessed value of all the municipalities property at an assessment ratio of 100%) = .02671 (Tax Rate)

Taxes on a \$100,000 home prior to a revaluation:

\$100,000 x .69% (Assessment Ratio) = \$69,000 (Assessed value)
 \$69,000 (Assessed Value) x .03872 (Tax rate) = \$2,671 (Property Taxes)

Taxes on a \$100,000 home after a revaluation:

\$100,000 x 1.00% (Assessment Ratio) = \$100,000 (Assessed value)
 \$100,000 (Assessed Value) x .02671 (Tax Rate) = \$2,671 (Property Taxes)

Tax Levy: The amount of tax imposed by governmental units (i.e. State, County, local Municipality, Technical College and School Districts).

Assessment Ratio: The relationship between the assessed value and the fair market value (Equalized value).

Tax Rate: The ratio of the tax levy to the total assessed value of all the municipality property often expressed in terms of dollars per thousand.