Proposal A – How it affects You!

YOUR HOUSE HAS 2 VALUES:

- Assessed Value: 50% of what your property is worth (true cash value)
- Taxable Value: what your taxes are calculated from

Rule:

The Assessed value increases/decreases every year by a percentage. This percentage is developed based on a 24 month internal sales study.

The Taxable value increases by the CPI (consumer price index) set by the State of Michigan.

Note: The Taxable value may not be greater than the Assessed value.

Exception to the Rule:

Sale of a property:

The year following a sale the taxable value becomes the assessed value making these values equal. The process for the Rule above starts over again.

Example:

2015 Assessed Value: 50,000

Taxable Value: 40,000 (Taxes with millage rate of 40.0 = $1,600)

Property sold 4/1/2015 $180,000 (Assessors do not take 50% of sales price as market value for the following year!)

2016 Assessed Value: 55,000 (market increase of 10% based on market sales studies)

Taxable Value: 55,000 (adjusted to market year after property sold)

Taxes for 2016 after increase in taxable value with millage rate of 40.0 = $2,200

An increase in taxes of $600 because the property sold the prior year.