

assessment ratio of your property, divide the assessed value of your property by the current market value of your property.

$$\frac{\text{Assessed Value of Your Property}}{\text{Current Market Value of Property}} = \text{--- \%}$$

To make a sound decision, you must know your assessed value, the current market value of your property and the assessment level of the taxation district.

Sources of information are listed below:

- The assessed value of your property is recorded in the assessment roll and should also be shown on your tax bill.
- The purchase price is usually the best evidence of market value if you have recently purchased the property.
- The sale price of other property comparable to yours is the next best evidence of market value.
- A professionally prepared appraisal would be a reliable estimate of market value.
- The assessment level of the taxation district can be obtained by contacting the assessor.
- The “estimated fair market value” of your property (determined by dividing your assessment by the assessment level) is shown on your tax bill.

### Can Property Be Assessed Higher or Lower than Market Value?

Wisconsin law recognizes the difficulties in maintaining annual full value assessments and therefore requires each municipality to assess property within ten percent of full value at least once every five years. If the municipality does not comply with the law, the assessment staff is required to attend a Department of Revenue training session. After seven consecutive years of non-compliance the Department orders a state-supervised assessment.

Wisconsin law requires uniform assessments of and between each class of property. Each major class must be within ten percent of the other major classes at least once every five years. A major class is defined as having more than 5% of the full value of the taxation district. For purposes of this law, the only classes that are considered are residential, commercial, personal, and the sum of undeveloped, agricultural forest, productive forest, and “other.”

### Why Is My Waterfront Property Assessed Much Higher Than Non-Waterfront Property?

Waterfront property is frequently considered more desirable than property not on the water. The fixed supply and attractiveness of waterfront property affect the market value of your property and, hence, should be reflected in your assessment.

## APPEALS

To help you understand the appeal process, a flow chart is included on page 12.

### If I Disagree With the Assessment or Classification of my Property, What Can I Do About It?

If you disagree with your assessment, sec. 70.47, Wis. Stats., grants you the right to appeal. You may also appeal the classification of their property when it affects the assessed value. Classification affects the assessed value of land classified as agricultural, undeveloped, and agricultural forest. There is a local Board of Review for all property assessed by the local assessor. The Tax Appeals Commission reviews manufacturing property assessed by the state assessors. Written or oral notice of your intent to file an objection must be provided to the Board of Review’s clerk. Your objection must be filed in writing with the Board of Review. Objection forms are available from the local clerk.

### When Should I Check My Assessment?

Although the effective date of assessment is January 1, the assessor normally does not complete the assessment until March or April of each year. Your local Board of Review will meet at any time during the 30-day period beginning with the 2nd Monday in May and you will receive your tax bill in December. The time to check your assessment is after the assessment is completed in March or April so you may appear before the Board of Review if you wish. Shortly after you receive your December tax bill, the cycle will start over with a new assessment on your property as of January 1.

### What Can I Do Before I Seek a Formal Review of My Assessment?

If possible, you should arrange to meet with your assessor prior to the Board of Review to examine your assessment records. When you meet with your assessor, review the records for your property and discuss how your assessment was made. Assessors maintain a record of your property, which includes a physical description and information on how your assessment was developed. These property records are considered “open records” which means the public has the right to inspect them. This right does not include information gathered under a pledge of confidentiality or where access is restricted by law, such as personal property returns. You may also view the records for other properties. Time spent discussing your assessment with the assessor may eliminate the need for a formal appeal to the Board of Review.

If you are unable to meet privately with your assessor, you should attend the “open book.” “Open book” refers to a period of time before Board of Review when the completed assessment roll is open for examination. The assessor is required to be present for at least 2 hours while the assessment roll is open. Section 70.45, Stats., requires the municipal clerk (or commissioner of

assessments in 1<sup>st</sup> class cities) to publish or post a notice specifying the open book date(s) at least 15 days before the first day the assessment roll is open for examination. Instructional materials on appealing your assessment to the Board of Review should be available at the open book. At open book, the assessor is allowed to make any changes that are necessary to perfect the assessment roll.

Most people would not appeal to the Board of Review if they knew the factors that had been taken into consideration in arriving at the assessment. Examples of some of these are: sales of comparable properties, current construction costs, improvements to property, location, depreciation, legal restrictions such as zoning ordinances, and general economic changes in the community. Sales include recent arm's length sale(s) of comparable properties dated from at or before the assessment time of January 1 of the assessment year.

### **I Have Heard of the Board of Assessors, What is it?**

The City of Milwaukee and the cities of the 2nd class (those that choose to do so) have a Board of Assessors. Where this Board exists, it is the first avenue of assessment appeal. This Board is comprised of assessment personnel from the assessor's office. The Board is responsible for investigating all objections to valuation brought before it. If you are dissatisfied with the determination of the Board of Assessors, you have ten days from the receipt of the determination to notify the assessor of your desire to present testimony before the Board of Review.

### **What Can I Do to Obtain a Formal Review of My Assessment?**

If you have discussed the matter with your assessor, and you are still not satisfied, make arrangements with your local Board of Review's clerk to appear before the Board of Review. To assure a hearing, *you must provide the Board's clerk with written or oral notice of your intent to file an objection at least 48 hours before the first scheduled meeting of the Board of Review.* In addition, *a written and signed form of objection to property assessment must be filled out and filed with the Board's clerk within the first 2 hours of the Board of Review's first scheduled meeting.* The clerk can supply you with the objection form, which must be approved by the Department of Revenue.

### **When Must I File The Written Objection to My Property Assessment?**

This must be done before or during the first 2 hours of the Board of Review's first scheduled meeting at which objections are scheduled for hearing. Under certain circumstances, the Board of Review may waive the 48-hour filing deadline. Upon showing of good cause and the submission of a written objection within the first 2 hours of the Board of Review's first scheduled meeting, the Board will waive the 48-hour notice requirement. The Board may also waive the requirement up to the end of the fifth day of the Board of Review session if you submit proof of extraordinary

circumstances for failing to meet the 48-hour notice and failing to appear during the first 2 hours of the first scheduled meeting. However, as a matter of record, it is recommended that this objection be filed in writing at least 48 hours before the Board's first meeting. You must object to the **total value** of the property. You cannot object to only the land value or only the improvement value.

### **What if I am Ill or Disabled and Cannot Attend the Board of Review?**

The Board of Review can accept testimony by telephone, upon oath, from all ill or disabled persons. You must be prepared to present to the Board of Review a letter from your physician, surgeon, or osteopath that confirms your illness or disability. This letter would be best filed along with your objection form. Alternatively, you may designate a personal representative to appear before the Board on your behalf.

### **What is the Board of Review?**

Ordinarily the Board of Review consists of municipal officials. In cities of the first class, and in all other towns, cities and villages who pass an ordinance to that effect, the Board of Review may consist of 5 to 9 residents of the town, city or village. In most cases, the municipal clerk also functions as the Board of Review clerk.

The Board of Review has the duty of correcting any errors in assessment that have been made, inadvertently or otherwise. It is the duty of the Board of Review to carefully examine the roll and correct all apparent errors in descriptions or computations, and to add any property to the roll that the assessor may have omitted. However, the Board of Review must notify the property owners concerned and hold hearings before omitted property can be added to the assessment roll and before any other lawful changes can be made.

Once the assessor has valued the property, posted these values on the assessment roll and signed the affidavit attached to the assessment roll, the values must be accepted as correct unless the testimony of sworn witnesses and the evidence they present indicate otherwise.

The Board of Review is responsible for raising and lowering any incorrect valuations as well as correcting any errors in the roll. It is important to note that the Board's function is not one of valuation, but of deciding the validity of the facts presented, under oath, before it. All deliberations must be done in open session and the Board of Review is required to decide each objection by a roll call vote. If the Board of Review votes to change an assessment, it must state on the record the amount of the correct assessment and that the correct assessment is reasonable in light of all relevant evidence received. Notices of the Board's determinations are to be sent to property owners as the Board completes its work.

Manufacturing assessments are reviewed by the Tax Appeals Commission, rather than the local Board of Review.

## Are there any Special Qualifications for Board of Review Members?

Yes. A Board of Review may not convene unless it includes at least one voting member who has attended a Board of Review training session within the 2 years prior to the Board's first meeting. The training qualified member must also be the municipality's chief executive officer or that officer's designee. Each year, the municipal clerk must provide an affidavit to the Department of Revenue stating whether the member training requirement has been fulfilled.

## When does the Board of Review Meet?

The Board of Review first meets annually at any time during the 30-day period beginning on the 2nd Monday of May. In towns and villages the Board will meet at the town or village hall or some other place designated by the town or village board. If there is no such hall, it will meet at the clerk's office, or in towns at the place where the last annual town meeting was held. In cities the Board meets at the council chamber or some other place designated by the council and in Milwaukee at a place designated by the tax commissioner.

All meetings and deliberations of the Board of Review must be publicly held and open to all citizens at all times. At least 15 days before the first session of the Board of Review, the clerk must publish a class 1 notice in the newspaper, post notices in at least 3 public places in the taxation district and on the door of the town, village or city hall. The notice must specify the time and place of the first meeting of the Board of Review. The notice must also contain the procedural requirements of section 70.47(7)(aa) and (ac) to (af). Specifically, the statutory requirements include:

- 1) Prohibiting a person from appearing before the Board of Review if they have refused a reasonable written request by certified mail of the assessor to view their property
- 2) Prohibiting persons scheduled to appear before the Board of Review from contacting or providing information to any Board member regarding their objection
- 3) Providing a notice to the Board's clerk at least 48 hours before the first Board of Review meeting indicating whether the objector will ask for removal of a board member from hearing their appeal, identifying the person to be removed and estimating the length of time that their hearing will take.
- 4) Requiring the objector, when appearing before the Board, to specify, in writing, an estimate of their property's land and improvement value and specify the information used to arrive at that estimate.
- 5) Prohibiting persons from appearing before the Board of Review if their property has been valued by the assessor or themselves using the income approach unless the owner supplies to the assessor all of the income and expense information that the assessor requests.

If the assessment roll is not completed, the Board must adjourn for the time needed to complete the roll and must post a written notice on the outer door of the place of meeting stating to what time the meeting is adjourned.

During the first 2 hours of the first meeting of the Board of Review, the assessment roll and other assessment data are open for examination. Persons filing an objection to valuation must submitted their written objection before the first meeting or during the first 2 hours except, with proof of extraordinary circumstances, an objection may be filed up to the end of the 5<sup>th</sup> day of the Board of Review session.. The Board must establish a time for hearing each properly filed objection. At least a 48-hour notice of the time of the hearing must be given to the objector or the objector's attorney and to the municipal attorney and assessor. When all parties are present and waive the notice, the hearing may be held immediately.

For an individual property owner who protests an assessment, the Board of Review is the first step in the appeal process (except for appeals to properties in cities with a Board of Assessors as described on the previous page). The taxpayer cannot appeal to the circuit court under an action for certiorari or to the Department of Revenue under Section 70.85 unless an appearance has first been made before the Board of Review.

## Can I Exclude a Board Member From Hearing My Objection?

Yes. Except in 1<sup>st</sup> and 2<sup>nd</sup> class cities, a person objecting to their assessment can request the removal of any one Board member for any reason *and* can also request the removal of any Board member whom the objector believes harbors a personal bias or prejudice against them. A request to remove a Board of Review member must be made at the time the person provides their written or oral notice of intent to file an objection. This notice must be made at least 48 hours before the first scheduled meeting of the Board of Review or at least 48 hours before the objection is heard if the Board waived the 48-hour notice requirement. Furthermore, the notice must identify the member(s) to be removed, state the nature of the bias or prejudice and estimate the length of time the objection hearing will take. Failure to meet the notice requirements and inform the Board clerk whether you intend to ask for a removal will disqualify you from having your objection heard at all.

Board of Review members may be removed for other reasons. A municipality must remove any member of a Board of Review who has a conflict of interest under an ordinance of the municipality in regard to the objection. In addition, any member of the Board of Review who would violate the code of ethics for local government officials (s.19.59, Stats) by hearing an objection shall recuse himself or herself from the hearing.

## What Do I Say to the Board at the Time of My Hearing?

Keep in mind that the assessor's value and classification are presumed correct. The taxpayer should not make the mistake of comparing the assessment to properties that are not similar. To have the assessment reduced, the owner must prove that the property is over assessed in comparison with similar property in the municipality. To have the classification changed the owner must prove that the property is not classified according to its predominant use.

**Wisconsin Statute 70.47(7)(ae) requires** anyone planning to protest an assessment must provide the Board, in writing, their

estimate of the value of the land and of all improvements that are the subject of the person's objection and specify the information that the person used to arrive at that estimate. In particular, an objector should have considerable information that is relevant to the market value of their non-agricultural property. This would include a recent arm's-length sale of your property, and recent sales of comparable properties. Other factors include: size and location of the lot, size and age of the building, original cost, depreciation and obsolescence, zoning restrictions and income potential, presence or absence of various building components; and any other factors or conditions which affect the market value of the property.

The Board will allow sufficient time for the assessor and the objector to present information. The objector and the assessor can also request that the Board subpoena witnesses to provide oral testimony at the hearing.

### **Can I Appeal the Board of Review's Decision?**

Yes, there are two avenues of appeal of the Board of Review decision available to the property owner. One is to circuit court under Section 70.47(13) of the Wisconsin Statutes, and the other is to the Department of Revenue under Section 70.85. If a number of property owners feel that there are severe inequities in the entire assessment roll, they may appeal for a reassessment of the entire municipality under Section 70.75.

### **How Would I Appeal a Board of Review Decision Under Section 70.47(13)?**

Section 70.47(13) provides for an appeal of a Board of Review determination to be by action of certiorari (a court order to review the written record of the hearing) to the circuit court. The court will not issue an order unless an appeal is made to the circuit court within 90 days after the taxpayer receives notification from the Board of Review. No new evidence may be submitted. The court decides the case solely on the basis of the written record made at the Board of Review.

If the court finds any errors in the proceedings of the Board which make the assessment void, it sends the assessment back to the Board for further proceedings and retains jurisdiction of the matter until the Board has determined an assessment in accordance with the court's order. Whenever the Board has made its final adjournment prior to the court's decision, the court may order the municipality to reconvene the Board.

### **What are the Procedures for Appealing a Board of Review Decision under Section 70.85?**

When appealing a Board of Review decision under Section 70.85, a written complaint must be received by the Department of Revenue within 20 days after the taxpayer receives the Board's determination, or within 30 days of the date specified in the affidavit under Section 70.47(12), if the taxpayer does not receive

the notice. A filing fee of \$100 must be submitted along with the complaint. Both real and personal property may be appealed under this section. The Department may not review the assessment if it is within 10 percent of the general level of assessment of all other property in the municipality, or if the property's value exceeds \$1,000,000 as determined by the Board of Review.

The Department may revalue the property and equalize the assessment without the intervention of the Board of Review, if the revaluation can be accomplished before November 1 of the year in which the assessment is made or within 60 days of the receipt of the written complaint, whichever is later. The value, if adjusted by the Department, shall be substituted for the original value in the assessment and tax rolls and taxes computed and paid accordingly.

Appeal of the Department's decision can be made by an action for certiorari in the circuit court of the county in which the property is located.

### **Can I Protest My Taxes at the Time of Payment?**

Unless your taxes are illegal in some respect and you are prepared to file a claim in circuit court for recovery of the unlawful tax, the "protest" has little value. The time for appealing your assessment has passed by the time the taxes are determined.

### **What is an Unlawful Tax?**

Section 74.35 provides for the recovery of unlawful taxes under very specific conditions. An unlawful tax occurs when one or more of the following errors are made:

- a clerical error was made in the description of the property or in the computation of the tax;
- the assessment included real property improvements which did not exist on the assessment date (January 1);
- the property was exempt from taxation;
- the property was not located in the municipality;
- a double assessment was made; or
- an arithmetic, transpositional or similar error has occurred.

Please note that an "unlawful tax" *does not include judgmental questions about the valuation.* Valuation issues must be addressed through the Board of Review appeal process.

### **How can I Recover an Unlawful Tax?**

You can recover unlawful taxes under Section 74.35 by filing a claim with your municipality.

### **How Do I File a Claim With My Municipality Under Sec. 74.35 Stats.?**

A claim for recovery of unlawful taxes must include all of the following conditions:

- be in writing,
- state the alleged circumstances for the claim,
- state the amount of the claim,
- be signed by the claimant or the claimant's agent, and
- be served to the municipal clerk.

A claim for the recovery of unlawful taxes paid to the wrong municipality must be filed within two years after the last date specified for timely payment of the tax. All other claims for recovery of unlawful taxes must be filed by January 31 of the year in which the tax is payable. No claim may be made unless the tax, or any authorized payment of the tax, is timely paid.

### **What is a Claim on Excessive Assessment?**

Section 74.37 allows a person to file a claim to recover the amount of general property tax imposed because the assessment of the property was excessive.

### **How Do I File a Claim on Excessive Assessment?**

You file a claim on excessive assessment under section 74.37 with your municipality.

### **How Do I File a Claim With My Municipality Under Sec. 74.37 Stats.?**

In order to file a claim on excessive assessment, the taxpayer **must have appealed to the Board of Review** (unless notice under 70.365 was not given). The claim must be filed by January 31 of the year in which the tax is payable. The claim must include all of the following:

- be in writing,
- state the alleged circumstances for the claim,
- state the amount of the claim,
- be signed by the claimant or the claimant's agent, and
- be served to the municipal clerk

A claim on excessive assessment *cannot* be filed if the Board of Review's determination was appealed to the Department of Revenue or to Circuit Court. No claim may be made unless the tax is timely paid.

### **What if the Municipality Denies a Claim Under Sec. 74.35 or Sec. 74.37 Stats.?**

If the municipality denies the claim, it must notify you by certified or registered mail within 90 days after the claim is filed. You may appeal the decision to Circuit Court if you feel the decision is incorrect. You must commence action within 90 days after receiving notice that the claim is denied.

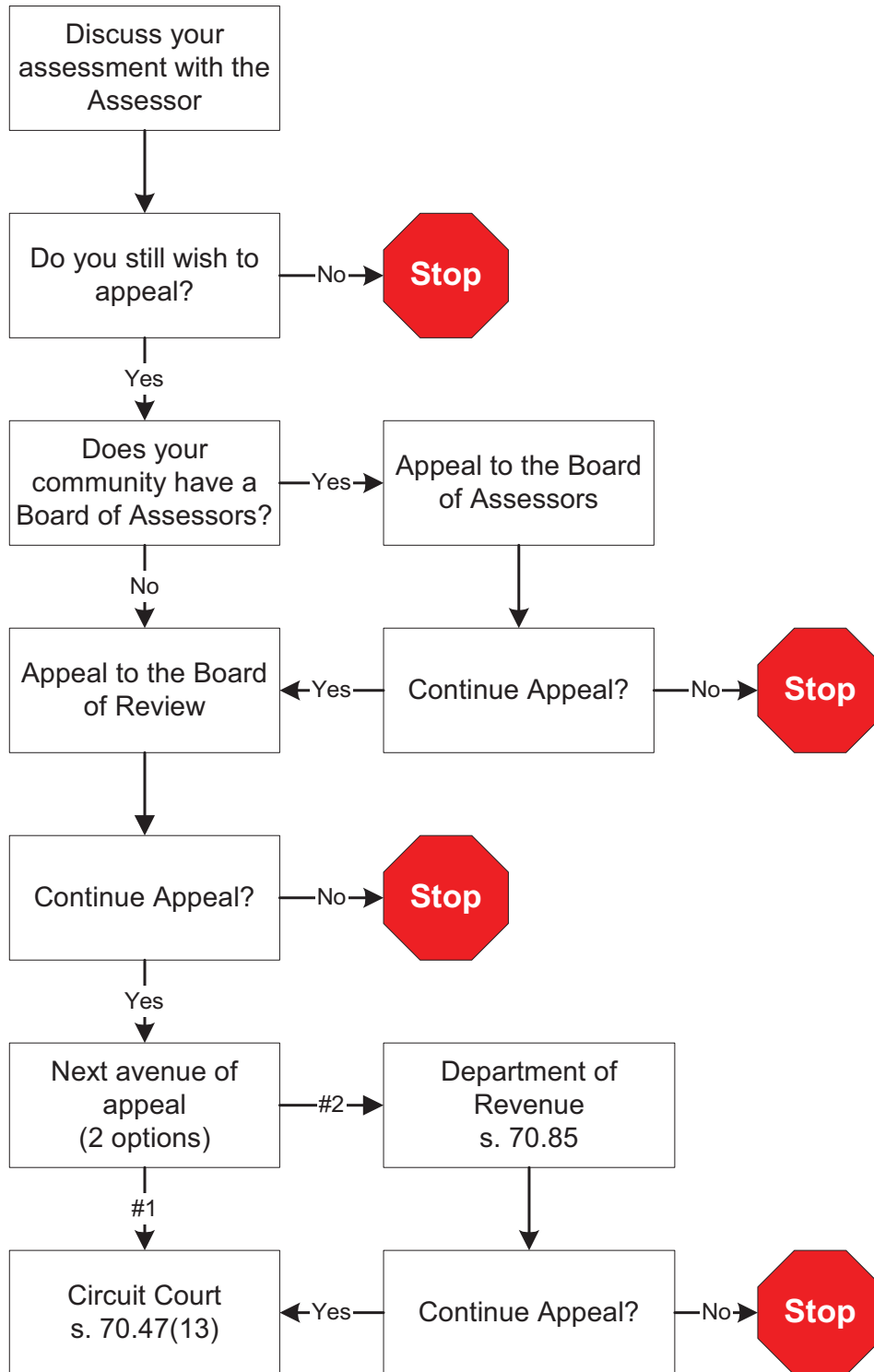
If the municipality does not act on the claim within 90 days, you have 90 days to appeal to Circuit Court.

### **If the Municipality Allows a Claim Under Sec. 74.35 or Sec. 74.37 Stats., When Do I Receive Payment?**

The municipality must pay the claim within 90 days after the claim is allowed.

## FLOWCHART OF THE ASSESSMENT APPEAL PROCESS

If you are not satisfied with your assessment, then consider the following assessment appeal process:



## REASSESSMENT/REVALUATION

### What is the Difference Between Reassessment, Revaluation and a Supervised Assessment?

The term “reassessment,” as used in sec. 70.75, Wis. Stats., means to completely redo the assessment roll. After receiving a petition, the Department of Revenue may order a reassessment of all or any part of the taxable property in a municipality, if its investigation determines that the assessments are not in compliance with the law. One or more persons would be appointed by the Department to prepare a new assessment roll. The assessment roll, after completion by the appointed person(s), is substituted for the original assessment roll. The municipality pays all expenses connected with a reassessment.

A “revaluation” is the hiring of expert help by a municipality to aid the assessor in making new, equitable assessments. The previous year’s assessment roll is not affected. Under sec. 70.055, Wis. Stats., the governing body of a municipality determines that it is in the public interest to employ expert help to aid in making a new assessment. The local assessor is not relieved of any responsibility of the office under this type of revaluation. The expert help and the assessor act together as an assessment board in exercising the powers and duties of the assessor during the expert’s employment.

A “supervised assessment” is an alternative to a reassessment. As provided in sec. 70.75(3), Wis. Stats., one or more persons are appointed by the Department of Revenue to assist the assessor in making the assessment for the following year. The Department supervises the assessment work. The municipality pays all costs involved in a supervised assessment. A supervised assessment is very similar to a revaluation under sec. 70.055, Wis. Stats., in that new assessment records and assessed values are created. The previous year’s assessment roll is not affected.

### What Action is Necessary to Initiate a Request for a Reassessment?

Under sec. 70.75, Wis. Stats., except in cities of the 1st class (Milwaukee), the owners of at least 5% of the assessed value of all property in the municipality may submit a written petition with the Department of Revenue for a reassessment of the municipality. The basis of the petition must be that the assessment of property in the taxation district is not in compliance with the law and that the public interest will be promoted by a reassessment. A petition for reassessment may be obtained from the Equalization District Supervisor. The District Supervisor can also answer any questions that you may have regarding the circumstances of a potential sec. 70.75, Wis. Stats., petition. Contact information is provided at the end of this *Guide*.

A reassessment is a complete redoing of the assessment roll. In other words, if the appeal were successful, the assessment roll in question would be completely redone. It is not necessary for property owners to have appeared at the Board of Review to petition for a reassessment.

### What Action is Necessary to Initiate a Request for a Revaluation?

Whenever the governing body of any town, village, or city believes that it would be in the public interest to employ expert help to aid in making an assessment, it should contact the nearest Equalization District Office. A list of Equalization District Offices is located at the end of this booklet. The Supervisor of Equalization will arrange to review the assessment situation and make recommendations to that municipality. These recommendations could range from spot adjustments, without expert help, to a complete revaluation of all taxable property by expert help. If, after this consultation, the governing body believes it would be in the public interest to have a complete revaluation, it can pass a resolution pursuant to Section 70.055 of the Statutes, to hire expert help.

### Revaluations are Expensive. Are They Really Necessary?

A complete revaluation of all taxable real and personal property within a municipality is periodically necessary. There may be several reasons for this: (1) the current assessment may not have been made in substantial compliance with the law; (2) inequities may exist within classes of property; (3) inequities may exist between classes of property; (4) the governing body may desire an updating of records to show the physical characteristics of all its taxable real and personal property; or (5) a governing body may desire an original inventory of all its taxable property. When inequities happen some property owners are paying more than their fair share of the property taxes and some are paying less. A complete reassessment or revaluation may be the only remedy. Most property owners are willing to pay the expenses of a revaluation to be assured that all are paying their fair share of property taxes.

### I’ve Been Told that Everybody’s Taxes Go Up After a Revaluation. Is This True?

No, it is not. If the total levy remains the same, only those properties that are not presently paying their fair share of the tax burden will pay more taxes after a revaluation. Properties presently paying more than their fair share will pay less.

### Will the Tax Rate Remain the Same Per \$1,000 of Assessed Value After Revaluation?

Not necessarily. If the assessed values established by a revaluation are greater than they were before and the tax levy is the same, then the tax rate will be less. For example, if the tax levy remains unchanged and the total assessed value of the taxation district is doubled, the tax rate will be cut in half.

$$\frac{\text{Levy}}{\text{Total Assessed Value}} = \frac{\$200,000}{\$4,000,000} = .05 \text{ or } 5\%$$

**Before Revaluation**

$$\frac{\text{Levy}}{\text{Total Assessed Value}} = \frac{\$200,000}{\$8,000,000} = .025 \text{ or } 2.5\%$$

**LEVY AND RATES**

**Who Levies the General Property Tax?**

The governing body of each town, village, city, county, school district and state levies the total amount of tax to be raised. However, it is the city, village or town that prepares the tax bill and collects the initial tax payment.

**How is the Levy Determined?**

Each year the governing body of the city, village, town, county and school district adopts a budget for the following year. To finance the expenditures in the budget they total all expected sources of revenue such as state aids and shared taxes, license fees, tuition, etc. This amount is then subtracted from the estimated expenditure figure and the remainder must be raised from the property tax. In the case of the state forestation tax, the levy is determined by the state legislature and is applied in terms of a statewide rate (\$.1697 per \$1,000 of full value).

**What is Meant by the Tax Rate?**

The tax rate is the rate that is necessary to raise sufficient money from the property tax to meet the levy. The tax rate is determined by dividing the total assessment of a district into the levy. It is often expressed in terms of dollars per thousand.

**How is the Tax Rate Calculated?**

Each municipality must raise the funds needed to operate its own functions in addition to its share of the funds needed for the county and school district operations along with the state forestation tax. The total amount of the levy must be divided by the total assessed value of the municipality to establish the tax rate.

**EXAMPLE**

$$\text{Tax Rate} = \frac{\text{Levy}}{\text{Assessed Value}} = \frac{\$1,000,000}{\$25,000,000} = .04$$

City of Badgerville	\$ 200,000
County Levy	\$ 230,000
School District(s)	\$ 560,000
State (forestation)	\$ <u>10,000</u>
<b>TOTAL LEVY</b>	<b><u>\$1,000,000</u></b>

As you can see from the previous example, the City of Badgerville must raise a total levy of \$1,000,000. The total assessed value of the City of Badgerville is \$25,000,000. Using these figures, the tax rate on property located within the City of Badgerville would be

.04 per dollar of assessed value. This rate is often stated in terms of dollars per thousand, which in this case would be \$40 per \$1,000 of assessed value.

**How is the Total Amount of My General Property Tax Bill Determined?**

Using the example in the previous question, suppose you own a \$50,000 home in the City of Badgerville that is assessed at \$45,000. All property in the City of Badgerville is being assessed at 90% of market value.

$$\begin{aligned} \text{Your Tax} &= \text{Your Assessed Value} \times \text{Tax Rate} \\ \text{Your Tax} &= \$45,000 \times .04 = \underline{\underline{\$1,800.00}} \end{aligned}$$

The state legislature has provided for annual property tax relief. Your tax bill receipt from the City of Badgerville will show:

General Property Tax	\$ 1,800.00
State Credit	\$ <u>300.00*</u>
Balance Due	<u><u>\$ 1,500.00</u></u>

\* The amount of State Credit is determined by a statutory formula and will vary from year to year as well as from one tax district to another.

**Why Do I Have to Pay School Taxes When I Have No Children Attending School?**

From the very beginning, the founders of our country believed that all children had a right to be educated through high school at public expense. They felt that the European practice of only educating those who could afford it severely hampered individual opportunity. This philosophy, coupled with making education the responsibility of state and local government rather than the federal government, accounts for the fact that education today is financed heavily by local revenues which in turn rely strongly upon the general property tax.

Furthermore, the property tax is based upon market value of the property rather than "benefits-received," and must consequently fall uniformly on all taxable property.

**Are Property Taxes Really Higher Today?**

As a percentage of income, property taxes have not varied considerably over the past several years. Property taxes increase because the cost of the goods and services that property taxes finance increase. Police and fire protection, street repairs, and education are affected by inflation just like other things we purchase such as groceries, automobiles, and other items.

In 1977, total state and local taxes were 14.5% of personal income; property taxes were 4.6% of personal income. In 1999, total state and local taxes were 11.6% of personal income; property taxes were 3.8% of personal income.