

Property Tax Rates 101



Rutgers Journalism Resources Institute
Covering Municipal and School Budgets

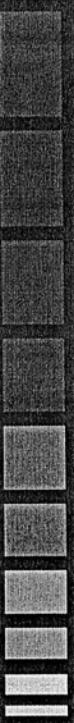
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Definitions



- **Taxing Entity** = a government agency permitted by State law to collect property taxes:
 - County (plus dedicated library, health, and open space)
 - Municipality (plus open space)
 - School district: local or regional
 - Fire district
 - Solid waste district tax on a property tax bill

Still More Definitions



- **Tax Rate** = amount per \$100 of assessed value (ratables) charged by each taxing entity.
- **Tax point** = one cent per hundred dollars of assessed value; one penny of the tax rate
- **Average Property Tax** - amount of property taxes on the average residential property in a municipality

Other Definitions



- **Ratables or Assessed Value:** taxable value of a piece of property; value of land and improvements as it's on the assessment roll of the municipality
- **Tax Levy** = the amount in property taxes needed for the budget of a taxing entity

To Find the Tax Point....



- Get total Ratables (taxable/assessed value):
i.e. \$330,000,000
- Divide by 10,000 (move decimal point 4 places to the left!)

$$\frac{330,000,000}{10,000} = 33,000$$

- Result: \$33,000 = **One tax point**

To Find the Tax Rate...



- Get Tax Levy: i.e. 13,000,000
- Divide tax levy/\$100 by one tax point = tax rate /\$100 of value

- Example:

$$\frac{\$13,000,000}{\$33,000} = \$3.939 \text{ per } \$100 \text{ of value} = \text{Tax Rate}$$

- or Divide tax levy by ratables by 100

$$\frac{13,000,000}{(330,000,000/100)} = \$3.939$$

To Find Taxes on Average Home



- Get average Assessed Residential Value -
i.e. \$150,000
- Calculate per \$100 (move decimal place 2
spaces left) = \$1500~~00~~
- Example: \$1,500 times \$3.939 = \$5,988
= Tax on Average Home

To find total property tax rate...

■ It's a combination of all taxing districts:
(on average \$150,000 property)

Taxing District	Tax Rate	Assessed Value/100	Property Tax
Municipal	\$1.23	1,500	\$ 1,839.00
Local School	\$1.10	1,500	\$ 1,650.00
Regional School	\$0.74	1,500	\$ 1,114.50
County	\$0.97	1,500	\$ 1,459.50
Open Space	\$0.02	1,500	\$ 30.00
Total	\$4.06	1,500	\$ 6,093.00

Secret Information Resource!



For background on municipal government issues that
are NOT specific to a named municipality,
contact:

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And tell the secretaries you took a course with me
and need some information, or ask for voice mail.