

## Where Do My Home Property Tax Dollars Go?



This contains information and a complete example using calendar year 2008 tax rates and levies for all taxing units. Please review the complete document.

### Who Gets My Property Tax Payments?

Your taxes support many different efforts and services. Paw Paw Township collects property taxes for a number of governmental entities such as Van Buren County (operations, sheriff, ambulance, etc.), the hospital, schools, fire protection service, police protection services,

and the library, and the Village of Paw Paw. This means, they take your tax money and pass it on to these entities. **In fact, in 2008, out of every dollar you pay in property taxes at Paw Paw Township Hall, the Village of Paw Paw receives just 33.9 cents and the other 64.8 cents goes to others.**

### Who gets a Share of My Taxes?

All of the following get a share of your tax dollars. They are:

- Van Buren County Operating
- Van Buren County Road Tax
- Van Buren County Public Transit
- Van Buren County Ambulance - Old
- Van Buren County Ambulance - New
- Van Buren County – Public Safety
- Paw Paw Township Operating
- Van Buren District Library
- State Education Tax
- V B Intermediate School District - Operations
- V B Intermediate School District - Special Ed
- V B Intermediate School District - Vocational Ed
- Paw Paw Village allocated Charter
- Paw Paw Village Voted Operating
- Paw Paw Schools Operating
- Paw Paw Schools Debt Retirement
- Paw Paw Fire District (the fire district serves Almena, Antwerp, Paw Paw and Waverly Townships and the Village of Paw Paw )



### Why Do I Get Two Tax Bills?

Some taxes are collected in the winter and some are collected in the summer. The example with this is for both your summer 2008 and winter 2008 taxes. School taxes are collected in the winter.

### How Are My Property Taxes Figured?

It may be confusing, but keep three terms in mind when understanding your property taxes. They are:

**1. True Cash Value:** This is the amount (value) that the assessor says your property is worth. In other words, it is the amount that the assessor believes you could sell your property



**2. Assessed Value:** By Michigan law, the assessed value is  $\frac{1}{2}$  of the true cash value.

**3. Taxable Value:** By Michigan law, your property taxes have been capped and cannot increase faster than other economic factors such as the rate of inflation. Some properties have been capped since the law went into effect. The 'cap' is removed when a property is sold or transferred to another party. Once a property is purchased and the cap removed future increases will also be capped. This also leads to confusion as properties with similar true cash values can have very different taxable values.

For example, if the assessor says your home would sell for \$100,000 your assessed value would be \$50,000. Your 'taxable value' would be the same or less - but never more. Your taxable value may be less depending on how long you have lived in the home. That is because state law caps 'taxable value'. This means taxable value cannot increase faster than other economic factors and results in your taxable value being less than the assessed value.

### **What is a Principal Residence Exemption?**

This used to be called a 'homestead' exemption. Now it is called a Principal Residence Exemption. This is a break on your taxes paid for school operating mills only on your principal residence – where you live. A person with one home has only one 'principal residence.' A person with two or more homes can still only have one 'principal residence' that receives the exemption for school operating mills. For most people, this exemption reduces their taxes significantly. In Paw Paw Township and the Village of Paw Paw, local public school operating mills total 18.0000. This amount is subtracted off the total mills to be paid.

### **Can I Figure My Own Property Tax Bill?**

Yes, you can figure your own property tax bill. To do this you will need to know your taxable value and the number of mills levied as a tax you can figure your tax bill.

### **What is a Mil?**

Taxes are levied as mills. A mil is 1 one-thousandth of something - in this case 1 one-thousandth of your taxable value.

### **How Do I Figure My Property Tax Bill?**

Now that you know the number of mills and your taxable value, to figure your tax bill, use this formula: Take the taxable value of your property and divide that by 1,000. Then multiply that by the number of mills for each tax or the number of total mills. The result is the amount of your property taxes. Follow the three easy steps below. For Example: A home with a taxable value of \$ 47,000.

**Step one:** Divide \$47,000 by 1,000. This equals \$47.00

**Step two:** Multiple \$47 times the number of mills – For this example assume 35.9775 mills are levied on your winter property tax bill.

**Step three:** Ta-Da... Your Winter Tax Bill (without a Principal Residence Exemption) will be \$1,690.94 ( $\$47 \times 35.9775$ ). If this property is your principal residence, the bill is less the 18 mills for the Paw Paw Public Schools and comes to just \$844.94.



## Your Property Tax Bill Calculations...

|  |           |
|--|-----------|
| <u>True Cash Value of Home &amp; Land</u> (what your home & land would sell for on the market) | \$100,000 |
| <u>Assessed Value</u> (1/2 true cash value)  | \$50,000  |
| <u>Taxable Value</u> (capped by Michigan Law and usually less than Assessed value)             | \$47,000  |

Your Property Taxes are based on "mils". 1 mil equals to 1/1000 of your taxable value.

Thus, 1 mil of \$47,000 is just \$47.00. (The formula goes like this: Taxable value divided by 1,000 and multiplied by the total number of mils.) Mil's are always carried out to 4 decimal places.

## Where Your Tax Dollars Go...

### WINTER TAX RATES & LEVIES for YOUR WINTER TAX BILL

| Number of Mils | Who does the tax go to and what the tax supports | Dollar Amount      |
|----------------|--|--------------------|
| 1.0000         | Paw Paw District Fire Department                 | \$ 47.00           |
| 0.9769         | Van Buren County - Roads                         | \$ 45.91           |
| 0.2480         | Van Buren County - Public Transit                | \$ 11.66           |
| 0.9402         | Van Buren County Ambulance – Old & New           | \$ 44.19           |
| 0.5351         | Van Buren County – Public Safety                 | \$ 25.15           |
| 0.8360         | Paw Paw Township – Operating                     | \$ 39.29           |
| 1.7507         | Paw Paw District Library                         | \$ 82.28           |
| 0.1414         | V B Intermediate School Dist. - Operations       | \$ 6.65            |
| 3.3321         | V B Intermediate School Dist. - Special Ed       | \$ 156.61          |
| 2.4993         | V B Intermediate School Dist. - Vocational Ed    | \$ 117.47          |
| 18.0000        | Paw Paw Public Schools - Operations ****         | \$ 846.00          |
| 8.2000         | Paw Paw Public Schools Bond Debt                 | \$ 385.40          |
| <b>38.4597</b> | <b>Total Winter Tax Bill</b>                     | <b>\$ 1,807.61</b> |

\*\*\*\* If you have a Principle Residence Exemption you do not pay this amount.

|                |   |                  |
|----------------|---|------------------|
| <b>20.4597</b> | <b>Total Winter Tax Bill With Principal Residence Exemption</b> | <b>\$ 961.61</b> |
|----------------|---|------------------|

### SUMMER TAX RATES & LEVIES for SUMMER TAX BILL

|                |  |                    |
|----------------|--|--------------------|
| 11.3252        | Paw Paw Village – Charter                  | \$ 532.28          |
| 4.5299         | Paw Paw Village – Voted Operations - ROADS | \$ 212.91          |
| 4.4719         | Van Buren County - Operations              | \$ 210.18          |
| 6.0000         | State Education Tax                        | \$ 282.00          |
| <b>26.3270</b> | <b>Total Summer Tax Bill</b>               | <b>\$ 1,237.37</b> |

### MILS SUMMARY INFORMATION TAX BILL

#### WITHOUT Homestead Exemption

|         |  |             |
|---------|--|-------------|
| 64.7867 | Total Mils Levied and Total Summer and Winter Tax Bill | \$ 3,044.97 |
| 15.8551 | Total Mils Levied for Paw Paw Village                  | \$ 745.19   |
| 48.9316 | Total Mils Levied for all Others                       | \$ 2,299.79 |

#### WITH Homestead Exemption

|         |   |             |
|---------|---|-------------|
| 46.7867 | Totals Mils with with Principal Residence (Homestead) Exemption   | \$ 2,198.97 |
| 15.8551 | Total Mils Levied for Paw Paw Village with Principle Res. Exempt. | \$ 745.19   |
| 30.9316 | Total Mils Levied for all Others with Principle Res. Exempt.      | \$ 1,453.79 |

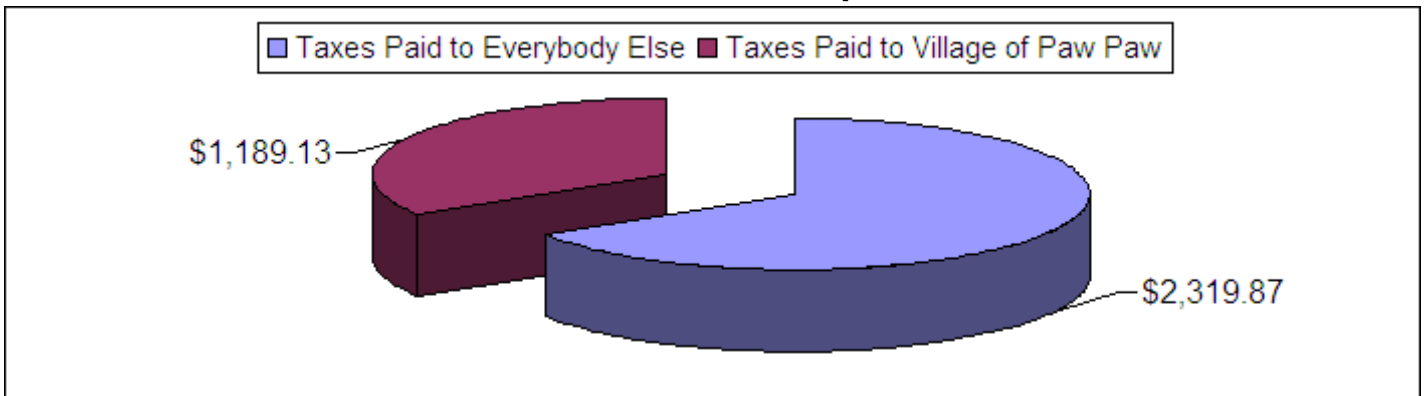
**For every dollar you pay in taxes, just 33.9 cents actually stays with the Village of Paw Paw.**

Saying it another way, 2/3rds (66%) of the taxes go to others and the Village keeps 1/3 (34%).

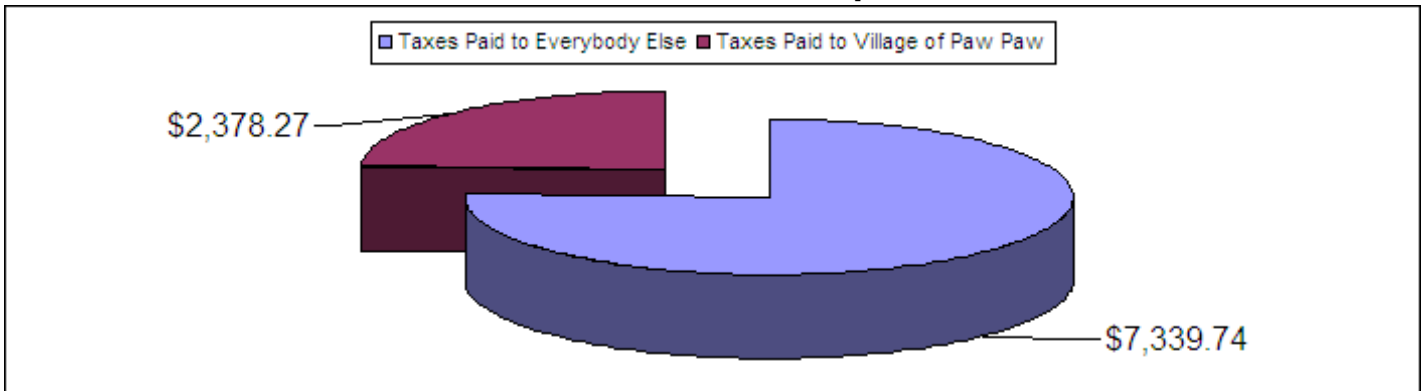
**Taxable Value \$75,000 - Non-Homestead Exemption - Total Tax Bill \$4,859**



**Taxable Value \$75,000 - With-Homestead Exemption - Total Tax Bill \$3,509**



**Taxable Value \$150,000 - Non-Homestead Exemption - Total Tax Bill \$9,718**



**Taxable Value \$150,000 - With-Homestead Exemption - Total Tax Bill \$7,018**

