PROPOSAL A

2014

Explanations of:

- P.R.E.
- Assessed Value
- Taxable Value
- Uncapping
- CPI
- Chasing Sales

In 2014, your taxable will increase by 1.6% how will that effect your taxes?

If your 2013 Taxable was $50,314 your 2014 taxable will be $51,119

Your taxes?

For comparison we will assume that your millage rate for all years remains the same, 34.798 mills.

In 2013 with a taxable of 50,314 your taxes are $1,750.83

In 2014 with a taxable of 51,119 your taxes will be $1,778.84

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As Proposal A also includes uniformity of Equalization,

one sale does not make a market

The Assessor and or the Board of Review cannot "chase a sale"

STC Bulletin 19 of 1997.

Also see letter from STC dated October 25, 2005.

Barbara VanGelderen

WHAT IS PROPOSAL A, HOW DOES IT EFFECT MY TAXES?

Proposal A was adopted by a vote of the State electorates on March 15, 1994. As it was passed, it amended the Michigan Constitution. The key changes that effect how your taxes are calculated are as follows:

1) Uniform Property Taxation, except School Operating Taxes.

P.R.E.

Now known as Principal residence Exemption or "PRE", formerly known as "Homestead".

Uniform Property Taxation, except School Operating Taxes.

How does it effect taxes? If a P.R.E. is applied, **it exempts that property from all, or a portion of, up to 18 mills school operating.**

2) Uniform Assessments, not to exceed 50 percent of True Cash Value as Equalized.

Assessed Value - The Assessed Value as shown, **should represent 50% of the current true cash value of your property.** Your property's value and the values of surrounding properties change, by use of Equalization sales studies. **Sales studies can indicate increases or decreases to value, however as studies are working with closed sales, the values are not real time, (values may have a lag in time.)**

3) Limit in increase of Taxable Value, until property is transferred.

Taxable Value – The Taxable Value is the number that your property taxes are calculated on. It is last years Taxable, multiplied by the Consumer's Price Index (CPI), also known as Rate of Inflation, or 5% whichever is less, "*until property is transferred* *

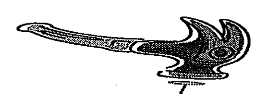
Current rate of inflation for 2014 is 1.6%.

ASSESSED VALUE?

Your assessed may go up or down by effects of market, (sale values), discovered in studies.

Your taxable value will never exceed your assessed value, if your taxable is less than your assessed, you may see an increase in taxes due in the next year.

Increase in mills levied, or special assessment, can also cause an increase in taxes due.



Increase or decrease to either Taxable and/or Assessed can occur when there is an alteration to the property. (New construction, addition or demolition all being examples of an alteration.)

"until property is transferred "...

Transferred properties MAY be uncapped. ("MAY"??? P.A. 497 of 2012)

Uncapped – If you purchased the property in 2013, the taxable may be uncapped for the year 2014, causing the Taxable and the Assessed values to be the same.

Example – 2013 Assessed $79,000.00 2013 Taxable $51,314.00 (taxes 2013? $1,750.83)

A Property transfer that causes an uncapping occurs in the 2013 calendar year, before 12/31 (TAX DAY).

2014 Assessed $79,500.00 2014 Taxable $79,500.00 (Taxes in 2014? $2,766.44)

(Make this a 0% PRE – taxes will be $4,197.44)