

HISTORICAL PROPERTY TAX ADJUSTMENT WORKSHEET GUIDE

Property Address: _____
(Number and Street Name)

A: DETERMINE ANNUAL INCOME AND ANNUAL OPERATING EXPENSES

Gross Income (Monthly Rent x 12)	
Less 3% Vacancy & Collection	
Effective Annual Income =	
Less 20% Expenses	
Annual Net Income =	

B: DETERMINE CAPITALIZATION RATE

2017 Interest Component	3.75%
Historical Property Risk Component (4% for owner-occupied single family dwelling, 2% for all other properties)	4% or 2%
Property Tax rate	1.02%
Amortization Component (Improvement Value/Land Value) x 0.03 <i>Values are found on the tax bill</i>	
Capitalization Rate (sum of the above) =	

C: CALCULATE MILLS ACT ASSESSED VALUE

Annual Net Income/Capitalization Rate =	
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D: DETERMINE ESTIMATED TAX REDUCTION

Current Taxes (Current Assessed Value x 0.0102)	
Less Mills Act Taxes (Mills Act Value x 0.0102)	
Potential Mills Act Property Tax Savings =	