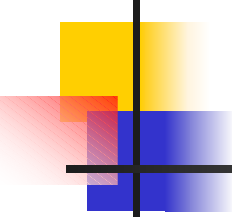




# Understanding Your Tax Bill

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## **A Basic Understanding of Tax Assessment and Taxation**



# KNOW YOUR TAX BILL





# Taxation Cycle

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- **Assessment Process-Assessor places values on properties**
- **Equalization Process by DOR-equalized value total that determines tax rates & apportionment is calculated**
- **Budget Process-levies are set**
- **Apportionment Process-levy amounts are apportioned to taxpayers**



# ASSESSMENT

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- **Taxes based on Assessment**
  - **Effective Date of Assessment is January 1 of each year**
- **Assessor values properties based on market and State of Wisconsin percentages**



# Assessment Process

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- **Local Assessors place value on property specified under s73.03(2a) stats**
  - **From View**
  - **From best information that can be practically obtained**
  - **Value of Land and Buildings should equal the Market value**



# Assessment Criteria

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- **Quality of construction**
  - Average: older home, simple ranch
  - Less than average: Wausau, Modular
  - Square footage-main floor + or – for basement, garage, porches, decks, sunrooms
  - Executive Homes –
    - central vacuum, wired for sound, highest grade materials, extra heavy frame, fireplace
- **Cost of construction-State manual basic cost times grade factor given by assessor**
- **Depreciation**
- **Waterfront property is generally considered more desirable and this is reflected in assessment**

**PLACING VALUE ON PROPERTY IS A BALANCING ACT**



# OPEN BOOK –

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- **All property records are “Open Records”**
- **If possible, meet with assessor to discuss values prior to Open Book**
- **Assessor is allowed to make changes at the Open Book Session**
- **If not satisfied, property owners can protest values by requesting a hearing at the Board of Review**



# BOARD OF REVIEW

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- **Assessor's Value is presumed correct**
- **To have correction made, owner must prove property is overvalued in comparison with similar properties**
  - **use arm's length sales/recent sales of comparable properties**
  - **size of lot, size and age of buildings, depreciation and income potential**





# APPEALS

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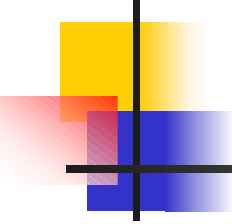
- **If a taxpayer is not satisfied with decision of Board of Review**
  - **Circuit Court Appeals**
  - **Department of Revenue Appeals**
- **Consult 70.85 AND 70.57 of the State Statutes**



# DEPARTMENT OF REVENUE

---

- **Department of Revenue analyzes reports to determine value**
  - **Statement of Assessment**
  - **Assessor's final report**
- **Equalized value is driven by sales**
  - **Transfer returns from current year used to establish equalized value**
- **DOR establishes:**
  - **total equalized value of properties**
  - **total equalized value of each class of property**



# **STRATEGIES USED TO DETERMINE EQUALIZED VALUE**

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- **Sales Analysis**
- **Use Value Analysis**
- **Property Appraisals**
- **Local Reports**
- **s 70.57 WI State Corrections**



# **SALES ANALYSIS**

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- **2 methods:**
  - **assessment-to sales ratio studies**
    - **compare selling prices with local assessment**
    - **sufficient number of sales = reflect the overall accuracy**
  - **unit value projections**
    - **used to value swamp and waste, forest land or other property**
- **transfer returns are used to form database of all sales in the state**



# ASSESSMENT TO SALES ANALYSIS

- After analysis of properties, assessment ratio is 93.13%

<u>Sale</u>	<u>Assessed Value</u>	<u>Selling Price</u>	<u>Ratio of Assessment to Sales Price</u>
No. 1	\$ 91,800	\$ 93,000	98.71%
No. 2	\$ 61,200	\$ 64,000	95.63%
No. 3	\$ 29,800	\$ 35,800	83.24%
No. 4	\$ 117,400	\$ 121,000	97.02%
No. 5	<u>\$ 84,800</u>	<u>\$ 99,600</u>	<u>85.14%</u>
<b>TOTAL</b>	\$ 385,000	\$ 413,400	93.13%



# USE VALUE ANALYSIS

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- **values are estimated from the income that could be generated by the land/capitalization rate**
- **values produced by the income approach adjusted based on land rental information from UW-EX agents**



# PROPERTY APPRAISALS

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- **Sample appraisals are used as a further test of quality of sales-based value projections**
- **Property appraisals are used when there is a lack of sales activity**
- **These are used in an analysis similar to the assessment/sales method**



# LOCAL REPORTS

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- **CLERK'S STATEMENT OF ASSESSMENTS**
  - Summarizes the final values on the local assessment roll for real and personal property
  - This report compared with the assessor's report for any changes
- **ASSESSORS FINAL REPORT**
  - This report contains the same info as SOA, but analyzes the reasons for the change





# SEC 70.57 WI STATS CORRECTIONS

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- **Significant effort is spent reviewing prior year equalized value determinations because many assessors file previous reports late**
- **Equalized values must be certified to jurisdiction by August 15 of each year**



# FINALIZING EQUALIZED VALUE

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- **DOR determines market value of each class of real and personal property in the state**
- **Municipalities or counties can appeal its equalized value by Oct 15**
- **Equalized value of school districts within its borders derives school district's equalized value**



# Taxing using assessed value

---

- Town A=\$20,000,000.00 assessed value (28.6%) of total assessed value
- Town B=\$50,000,000.00 assessed value (71.4%) of total assessed value
- Town A would pay 28.6% of levy
- Town B would pay 71.4% of levy



# Taxing using equalized value

---

- Town A has \$50,000,000.00 of equalized value (50%) of total equalized value
- Town B has \$50,000,000.00 of equalized value (50%) of total equalized value
- Each town would pay  $\frac{1}{2}$  of the levied taxes



# USE OF EQUALIZED VALUES

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- **Property tax levies of jurisdictions are apportioned to each municipality based on equalized value**

**This must be done to apportion taxes fairly to all property owners**



# EQUALIZATION

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- **Assessed value is important for maintaining equity among taxpayers within municipality**
- **Assessed values used to distribute**
  - **tax burden among individual taxpayers**
- **Equalized values used to distribute**
  - **state levy among counties**
  - **county levy among municipalities**



# BUDGET PROCESS

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- **Budget hearings with departments – County Level**
  - **Meet with Governing Committee**
  - **Meet with Finance Committee**
- **Approve or cut budgets**
- **Approval of County Board (Town Board)**



# COUNTY CLERK

---

- **Clerk is provided with total equalized value of the county (see next sheet)**
- **Because of imposed 1992 levy limits levy rate cannot exceed 1992 rate**
- **Clerk apportions taxes to local municipalities using equalized value**



2003 COUNTY APPORTIONMENT  
(ALL PROPERTY)  
2003 EQUALIZED VALUE REDUCED BY TID VALUE INCREMENT

DISTRICT	REAL ESTATE	PERS. PROP.	TOTAL	% TO TOTAL
BERLIN	73,657,400	2,222,200	75,879,600	.04566
BROOKLYN	328,557,300	3,926,400	332,483,700	.20008
GREEN LAKE	328,137,800	1,161,100	329,298,900	.19816
KINGSTON	38,930,200	372,100	39,302,300	.02365
MACKFORD	32,596,100	744,800	33,340,900	.02006
MANCHESTER	41,265,900	401,800	41,667,700	.02507
MARQUETTE	50,810,600	65,000	50,875,600	.03061
PRINCETON	225,144,000	3,258,100	228,402,100	.13744
SAINT MARIE	29,132,500	48,200	29,180,700	.01756
SENECA	24,498,700	680,900	25,179,600	.01515
TOWN TOTAL	1,172,730,500	12,880,600	1,185,611,100	.71344
KINGSTON	11,579,700	776,600	12,356,300	.00744
MARQUETTE	8,795,200	71,000	8,866,200	.00534
VILLAGE TOTAL	20,374,900	847,600	21,222,500	.01278
BERLIN	185,598,600	4,384,100	189,982,700	.11432
GREEN LAKE	152,385,800	2,202,300	154,588,100	.09302
MARKESEN	56,932,900	2,118,000	59,050,900	.03553
PRINCETON	49,727,700	1,632,400	51,360,100	.03091
CITY TOTAL	444,645,000	10,336,800	454,981,800	.27378
COUNTY TOTAL	1,637,750,400	24,065,000	1,661,815,400	1.00000

TID VALUE INCREMENTS

DISTRICT	TID#	YEAR	BASE VALUE	CURRENT VALUE	INCREMENT
C. BERLIN	#02	1979	0	457,800	457,800
C. BERLIN	#03	1980	289,300	1,950,000	1,660,700
C. BERLIN	#07	1980	550,000	5,333,600	4,783,600



# APPORTIONMENT PROCESS

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- **Process of dividing tax levies for each jurisdiction among all municipalities which contain territory in the jurisdiction**
  - **Done by percentages**
  - **Total equalized value of town, village or city goes up—your % of taxes goes up**
- **1992 Levy Limits – tax rate cannot exceed the tax rate of 1992.**

SUMMARY OF TAX LEVY AND EQUALIZED VALUE  
FOR GREEN LAKE COUNTY

YEAR	EQUALIZED VALUE OF GREEN LAKE CO.	% INCREASE FROM PREVIOUS YEAR	YEAR	TAX LEVY	% INCREASE FROM PREVIOUS YEAR	TAX RATE	% INCREASE FROM PREVIOUS YEAR
1983	627,152,500		1984	1,568,200		0.00250	
1984	637,168,000	1.60%	1985	1,730,418	10.34%	0.00272	8.63%
1985	625,678,900	-1.80%	1986	2,028,897	17.25%	0.00324	19.40%
1986	576,077,000	-7.93%	1987	2,648,326	30.53%	0.00460	41.77%
1987	570,337,400	-1.00%	1988	3,824,132	44.40%	0.00671	45.85%
1988	575,692,800	0.94%	1989	3,736,907	-2.28%	0.00649	-3.19%
1989	595,554,600	3.45%	1990	3,823,268	2.31%	0.00642	-1.10%
1990	616,091,500	3.45%	1991	4,094,347	7.09%	0.00665	3.52%
1991	654,988,600	6.31%	1992	4,428,131	8.15%	0.00676	1.73%
1992	690,493,200	5.42%	1993	5,865,269	32.45%	0.00849	25.64%
1993	747,256,000	8.22%	1994	6,194,446	5.61%	0.00829	-2.41%
1994	798,595,600	6.87%	1995	6,404,279	3.39%	0.00802	-3.26%
1995	877,323,200	9.86%	1996	6,464,365	0.94%	0.00737	-8.12%
1996	985,969,200	12.38%	1997	6,624,644	2.48%	0.00672	-8.81%
1997	1,066,886,700	8.21%	1998	7,086,961	6.98%	0.00664	-1.14%
1998	1,177,464,600	10.36%	1999	7,734,593	9.14%	0.00657	-1.11%
1999	1,316,276,700	11.79%	2000	8,360,310	8.09%	0.00635	-3.31%
2000	1,353,547,200	2.83%	2001	9,048,860	8.24%	0.00669	5.26%
2001	1,449,017,200	7.05%	2002	9,651,176	6.66%	0.00666	-0.37%
2002	1,538,733,900	6.19%	2003	10,534,633	9.15%	0.00685	2.79%
2003	1,661,815,400	8.00%	2004	10,692,001	1.49%	0.00643	-6.02%

Prepared by:  
Marge Bostelmann

Rate increase/decrease since 1992      -24.2561%  
Value increase/decrease since 1992      140.6708%  
Levy increase/decrease since 1992      82.2934%



# COUNTY TREASURER

---

- **Local clerks prepare a mill rate worksheet**
  - Includes total levy for each taxing district
  - Includes estimated state aids figure
- **County Treasurer's office calculates individual mill rate**
  - Individual mill rates added minus state aids  
= net mill rate used to calculate taxes

		GREEN LAKE COUNTY		<b>MILL RATE:</b>	
TAX YEAR	<b>2007</b>	MILL RATE INPUT SHEET		BERLIN SCHOOL	0.023787802
MUNICIPALITY NO: 206		CITY OF BERLIN			
Aggregate Ratio Used to Calculate		ESTIMATED FAIR MARKET VALUE:		0.799159629	
		Mill Rate Calculations			
<b>TAXING JURISDICTIONS</b>		<b>CERTIFIED LEVY AMOUNT**</b>		<b>ASSESSED VALUE</b>	
	#			<b>MILL RATE</b>	
STATE		38,373.93		198,795,400	0.000193032
COUNTY		1,183,880.13		198,795,400	0.005955269
LOCAL		1,601,765.99		198,795,400	0.008057359
SCHOOL DT #0434	BERLIN	1,949,399.33		198,795,400	0.009806059
SCHOOL DT #					
SCHOOL DT #					
SCHOOL DT #					
MPTC #1000		303,031.64		198,795,400	0.001524339
SPECIAL DT #					
SPECIAL DT #					
SPECIAL DT #					
<b>TOTAL GENERAL TAXES TO COLLECT</b>		<b>5,076,451.02</b>			
		ESTIMATED MAJOR STATE AIDS			
<b>TAXING JURISDICTIONS</b>		YR: 2006 STATE AIDS		YR: 2007 STATE AIDS	
COUNTY		87,635		88,262	
LOCAL		2,136,115		2,134,323	
SCHOOL DT #0434	BERLIN	4,287,785		4,338,033	
SCHOOL DT #					
SCHOOL DT #					
SCHOOL DT #					
MPTC # 1000		53,587		50,526	
TOTAL		6,565,122		6,611,144	
SCHOOL LEVY TAX CREDIT AMOUNT CERTIFIED		347,545.43		ASSESSED VALUE	<b>MILL RATE</b>
				198,795,400	<b>0.001748257</b>
EQUALIZED VALUE SCHOOL TAX RATE (lottery credit only)				MAX CREDIT VALUE	LOTTERY CREDIT
SCHOOL DT #0434	BERLIN	0.0086211		10,100.00	87.07
SCHOOL DT #					
SCHOOL DT #					
SCHOOL DT #					
Clerk		Date		Phone Number	

\*\*for villages & cities that have TID districts, use column E from Tax Worksheet PC-202



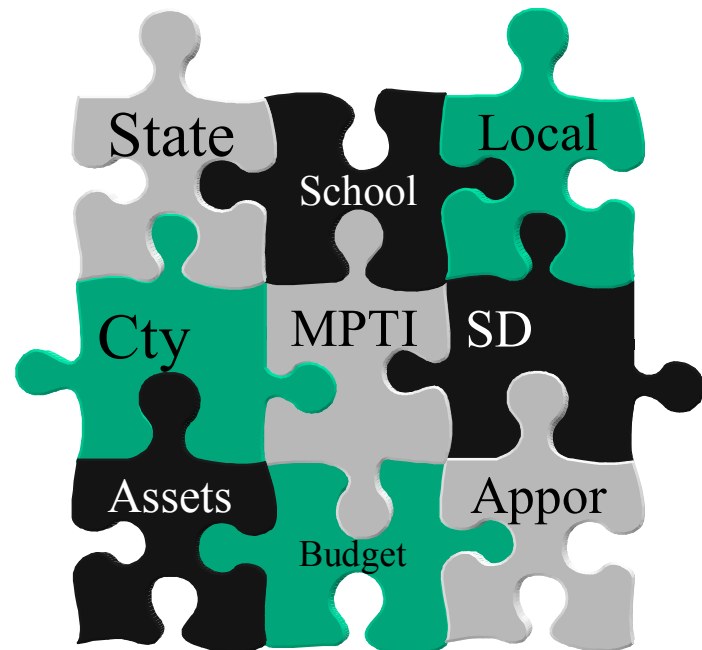
# SUMMARY

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- **ASSESSOR VALUES PROPERTY**
- **TAXPAYERS CAN ACCEPT OR APPEAL**
- **DOR ANALYZES DATA AND CERTIFIES TOTAL EQUALIZED VALUE**
- **COUNTY CLERK USES THESE VALUES TO APPORTION TAXES USING TAX RATE**
- **COUNTY TREASURER CALCULATES TAXES USING MILL RATE**
- **TAX BILL PREPARED AND MAILED**
- **COLLECTION AND QUESTION PROCESS**

# Taxes

- **Assessments,  
budgets,  
apportionments  
all fit together to  
produce tax bills**





# Tax Bill Info

---

- **Tax Bill**

- **Shows all values of property**
- **Shows all amounts of tax**
- **Description of WHERE your dollars are spent**



# UNDERSTANDING YOUR PROPERTY TAX BILL

A	B	C	D	E	F	G																																											
Local gov. collects for each of these taxing jurisdictions	Local gov. assessed value of land	Local gov. assessed value of buildings	Local gov. assessed value of land and buildings	Town's Total Assessed Value divided by State Equalized Value (as a %)	A value estimate made by dividing this parcel's Total Assessed Value by the Average Assessment Ratio	Delinquent taxes due on property																																											
<p>Make check payable to:</p> <p>ELLEN JONES TREASURER, TOWN OF BADGER RR 9, P.O. BOX 6890 BADGER, WI 58425</p> <p><b>STATE OF WISCONSIN REAL ESTATE PROPERTY TAX BILL FOR 2003 TOWN OF BADGER AMERICA CO.</b></p> <p>CARSON, DAVID Z BILL NO. 3009</p> <p>Correspondence should refer to tax number. See reverse side for Important Information. PARCEL # 12-116-0029-0000</p>																																																	
ANNUAL VALUE LAND 22,000	ANNUAL VALUE IMPROVEMENTS 67,000	TOTAL ASSESSED VALUE 89,000	AVERAGE ASSESSMENT RATIO 93.15%	EST. F.A.R. MNT. LAND 23,600	EST. F.A.R. MNT. IMPROVEMENTS 71,900	TOTAL EST. F.A.R. MNT. 95,500																																											
<p><b>TAKING JURISDICTION</b></p> <table border="1"> <thead> <tr> <th></th> <th>2002 EST. STATE &amp; LOCAL ALLOTTED TO TAX DRT</th> <th>2003 EST. STATE &amp; LOCAL ALLOTTED TO TAX DRT</th> <th>2002 MPT TAX</th> <th>2003 MPT TAX</th> <th>S.T. TAX CHANGE</th> </tr> </thead> <tbody> <tr> <td>STATE OF WISCONSIN</td> <td>25,868</td> <td>26,385</td> <td>18.36</td> <td>19.05</td> <td>3.8%</td> </tr> <tr> <td>AMERICA COUNTY</td> <td>133,488</td> <td>136,188</td> <td>389.44</td> <td>401.25</td> <td>3.0%</td> </tr> <tr> <td>TOWN OF BADGER</td> <td>479,579</td> <td>483,920</td> <td>221.21</td> <td>215.32</td> <td>-2.7%</td> </tr> <tr> <td>BLOOMING SCHOOL DIST.</td> <td>29,176</td> <td>29,780</td> <td>942.36</td> <td>965.23</td> <td>2.4%</td> </tr> <tr> <td>TECH. COLLEGE</td> <td></td> <td></td> <td>175.99</td> <td>178.41</td> <td>1.4%</td> </tr> <tr> <td><b>TOTAL</b></td> <td>668,121</td> <td>676,233</td> <td>1,747.35</td> <td>1,770.26</td> <td>1.8%</td> </tr> </tbody> </table> <p>Lottery &amp; Gaming Credit Net Property Tax</p> <p>96.00 1,632.26</p>							2002 EST. STATE & LOCAL ALLOTTED TO TAX DRT	2003 EST. STATE & LOCAL ALLOTTED TO TAX DRT	2002 MPT TAX	2003 MPT TAX	S.T. TAX CHANGE	STATE OF WISCONSIN	25,868	26,385	18.36	19.05	3.8%	AMERICA COUNTY	133,488	136,188	389.44	401.25	3.0%	TOWN OF BADGER	479,579	483,920	221.21	215.32	-2.7%	BLOOMING SCHOOL DIST.	29,176	29,780	942.36	965.23	2.4%	TECH. COLLEGE			175.99	178.41	1.4%	<b>TOTAL</b>	668,121	676,233	1,747.35	1,770.26	1.8%	<p><b>NET PROPERTY TAX \$ 1,632.26</b></p> <p>SEWER MAIN 359.02</p> <p>SNOW REMOVAL 195.00</p> <p><b>TOTAL DUE FOR FULL PAYMENT</b></p> <p><b>PAY BY JANUARY 31, 2004</b></p> <p><b>\$ 2,186.28</b></p> <p><small>Warning: First paid by due date, and subsequent tax is based on last tax in delinquent category interest and applicable penalty (see reverse)</small></p>	
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<p>School taxes reduced by school levy tax credit <b>\$488.57</b></p> <p><b>IMPORTANT:</b> Be sure this description covers your property description as for this tax bill and may not be a full description.</p> <p>23/33.45/11110.00A SEC. 31 T 1 N. R 22 E The W 330' OF THE NE 1/4, NE 1/4 SEC. 31</p> <p>DAVID Z CARSON RR 9 ADDRESS BADGER, WI 58425</p>						<p>Net Assessed Value Rate (Does NOT reflect Lottery Credit) 0.1598%</p> <table border="1"> <thead> <tr> <th>Or Pay 1st Installment</th> <th>Or Pay 2nd Installment</th> </tr> </thead> <tbody> <tr> <td><b>\$ 1,379.13</b></td> <td><b>\$ 816.13</b></td> </tr> <tr> <td>By: JANUARY 31, 2004</td> <td>By: JULY 31, 2004</td> </tr> <tr> <td>Special Charge Paid</td> <td>Special Charge Paid</td> </tr> <tr> <td>Special Assessment Paid</td> <td>Total Amount Paid</td> </tr> <tr> <td>Property Tax Paid</td> <td>Balance Due</td> </tr> </tbody> </table>		Or Pay 1st Installment	Or Pay 2nd Installment	<b>\$ 1,379.13</b>	<b>\$ 816.13</b>	By: JANUARY 31, 2004	By: JULY 31, 2004	Special Charge Paid	Special Charge Paid	Special Assessment Paid	Total Amount Paid	Property Tax Paid	Balance Due																														
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Amount from State to reduce each tax bill	Gross tax due for 2003 to each tax jurisdiction. For comparison, the taxes due for 2002 are listed with the percentage change.	Lottery Credit amount from the State for 2003	Total Assessed Value multiplied by the Net Assessed Value Rate	The rate for this tax bill before Lottery Credit	Normal option allows for payment in full or two installments																																												
H	I	J	K	L	M																																												



# Vocabulary

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- **Assessment**

- Value placed on property by assessor

- **Budget**

- Set at each level of government
- Approved by elected representatives

- **Apportionment**

- Process of dividing tax levies for each taxing jurisdiction among all municipalities, based on value of district



# Where to Get More Information

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- **Local Assessor**
- **County and Town Board Meetings**
- **School District Meetings**
- **Department of Revenue website**  
**[www.dor.state.wi.us](http://www.dor.state.wi.us)**
- **County website [www.co.green-lake.wi.us](http://www.co.green-lake.wi.us)**

Tax Time is just around the corner...

