**How Does the Auditor’s Office Calculate My Tax Bill?**

* The first step in calculating a tax bill is the County Assessor provides our office with the assessed value (AV) of your parcel.
* Next, the county and each taxing district determine what their annual tax rates should be to collect enough money to meet their yearly needs.
* Then two separate tax bill calculations are done, and the final tax bill amount is the lesser of those two amounts.
* The first calculation is the standard calculation which takes your total (gross) assessed value, applies your property tax deductions (Homestead, Mortgage, etc.), and multiplies it by the tax rate for your taxing district. This calculation also applies a LIT Credit if you have a Homestead Deduction.

**((Gross AV – Deductions) x Tax Rate) – ((Homestead AV ÷100) x LIT Credit Rate)**

* The second calculation is the property tax cap calculation which takes your total assessed value in each category (Homestead 1%, Rental/Agricultural 2%, Non-Residential 3%), multiplies them by the appropriate 1%, 2%, or 3% rate, and then adds them all together.

**(Gross 1% AV x 0.01) + (Gross 2% AV x 0.02) + (Gross 3% AV x 0.03)**

* Example Calculation: A house in the town of Avon with a barn has a Homestead and Mortgage Deduction.
	+ $175,000 House (1% AV)
	+ $2,500 Barn (3% AV)
	+ $93,500 Deductions ($45,000 Homestead, $45,500 Supplemental, and $3,000 Mortgage)
	+ 2.9301% Town of Avon Tax Rate (for Pay 2018)
	+ 6.6906% LIT Credit Rate (for Pay 2018)

**((177,500 – 93,500) x 0.029301) – ((175,000 ÷100) x 0.066906) = $2,344.20**

**(175,000 x 0.01) + (0 x 0.02) + (2,500 x 0.03) = $1,825.00**

* In this example, the County Treasurer would bill the taxpayer for $1,825.00 annually since they are hitting their property tax cap.
* Properties that have other assessments (drains, liens, conservancy, referendum etc.) will have those amounts added to the final tax bill amount. They are not subject to the property tax caps.