



Department of Assessment, Taxpayer Services and Elections

How To Calculate A Property Tax

This document gives instructions for calculating a property tax for the following property classifications:

- Residential Homestead
- Residential Non-Homestead (single unit)
- Residential Non-Homestead (2-3 units and vacant land) and Apartments
- Commercial/Industrial

An example of the calculation for each classification is shown, based on the rates in effect for taxes payable in 2006. Tax rates vary depending on the City/Town, School District, and Watershed District that the property is located in. The examples assume the property is located in the City of Woodbury, SD 833 South Washington, in the South Washington Watershed District. If you would like to calculate a property tax for a different area, you will need to open the Tax Rate document in order to look up the rates that apply.

How to Calculate a Property Tax Taxes Payable in 2006

Residential Homestead

Instructions:

Example of Calculation:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.		250,000
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value by the statutory Class Rates for Residential Homestead property: A. Multiply the first 500,000 of Taxable Market Value x 1.00% B. Multiply the remainder of the Taxable Market Value x 1.25% C. A + B = Total Tax Capacity	250,000 x 1.00% = 2,500 0 x 1.25% = 0 2,500 + 0 = 2,500
Step 3	Determine the Tax Capacity Rate and Market Value Referenda Rate for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.		Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 88.535% Market Value Rate = 0.21876%
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate	2,500 x 88.535% = \$2,213.38
Step 5	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate	250,000 x 0.21876% = \$546.90
Step 6	Calculate the Market Value Homestead Credit	A. Multiply the first 76,000 of Taxable Market Value x 0.40% B. Multiply the remaining Taxable Market Value up to 414,000 x 0.09% C. A - B = Total Credit	76,000 x 0.40% = \$304.00 174,000 x 0.09% = \$156.60 \$304.00 - \$156.60 = \$147.40
Step 7	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax - Market Value Homestead Credit = Total Tax	\$2,213.38 + \$546.90 - \$147.40 = \$2,612.88

How to Calculate a Property Tax Taxes Payable in 2006

Residential Non-Homestead (Single Unit)

Instructions:

Example of Calculation:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.			250,000
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value by the statutory Class Rates for Residential Non-Homestead property: A. Multiply the first 500,000 of Taxable Market Value x 1.00% B. Multiply the remainder of the Taxable Market Value x 1.25% C. A + B = Total Tax Capacity		250,000 x 1.00% = 2,500 0 x 1.25% = 0 2,500 + 0 = 2,500
Step 3	Determine the Tax Capacity Rate and Market Value Referenda Rate for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.			Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 88.535% Market Value Rate = 0.21876%
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate		2,500 x 88.535% = \$2,213.38
Step 5	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate		250,000 x 0.21876% = \$546.90
Step 6	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax = Total Tax		\$2,213.38 + \$546.90 = \$2,760.28

How to Calculate a Property Tax Taxes Payable in 2006

Residential Non-Homestead (2-3 Units & Vacant Land) and Apartments

Instructions:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.
Step 2	Calculate the Tax Capacity Multiply the Taxable Market Value by the statutory Class Rate for Residential Non-Homestead & Apartment property: Multiply the Taxable Market Value x 1.25%
Step 3	Determine the Tax Capacity Rate and Market Value Referenda Rate for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.
Step 4	Calculate the Tax Capacity Tax Multiply the Tax Capacity of the property by the Tax Capacity Rate
Step 5	Calculate the Market Value Tax Multiply the Taxable Market Value of the property by the Market Value Referenda Rate
Step 6	Calculate the Total Tax before Special Assessments Tax Capacity Tax + Market Value Tax = Total Tax

Example of Calculation:

250,000
250,000 x 1.25% = 3,125
Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 88.535% Market Value Rate = 0.21876%
3,125 x 88.535% = \$2,766.72
250,000 x 0.21876% = \$546.90
\$2,766.72 + \$546.90 = \$3,313.62

How to Calculate a Property Tax Taxes Payable in 2006

Commercial/Industrial

Instructions:

Example of Calculation:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.		1,000,000
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value by the statutory Class Rates for Commercial/Industrial property: A. Multiply the first 150,000 of Taxable Market Value x 1.50% B. Multiply the remainder of the Taxable Market Value x 2.00% C. A + B = Total Tax Capacity	$150,000 \times 1.50\% = 2,250$ $850,000 \times 2.00\% = 17,000$ $2,250 + 17,000 = 19,250$
Step 3	Determine the Tax Capacity Rate, Market Value Referenda Rate, Fiscal Disparity Rate, State C/I Rate, and Fiscal Disparity ratio for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.		Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 88.535% Market Value Rate = 0.21876% Fiscal Disparity Rate = 121.802% State C/I Rate = 50.827% Fiscal Disparity Ratio = 37.2649%
Step 4	Calculate the Fiscal Disparity portion of the Tax Capacity	Multiply the Total Tax Capacity of the property by the Fiscal Disparity Ratio <i>(this percentage varies by municipality)</i>	$19,250 \times 37.2649\% = 7,173$
Step 5	Calculate the Local Portion of the Tax Capacity	Subtract the Fiscal Disparity Tax Capacity from the Total Tax Capacity of the property	$19,250 - 7,173 = 12,077$
Step 6	Calculate the Tax Capacity Tax	Multiply the Local Tax Capacity of the property by the Tax Capacity Rate	$12,077 \times 88.535\% = \$10,692.37$
Step 7	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate	$1,000,000 \times 0.21876\% = \$2,187.60$
Step 8	Calculate the Fiscal Disparity Tax	Multiply the Fiscal Disparity Tax Capacity of the property by the Fiscal Disparity Tax Rate <i>(this rate is uniform throughout the 7 metro counties)</i>	$7,173 \times 121.802\% = \$8,736.86$
Step 9	Calculate the State Tax	Multiply the Total Tax Capacity of the property by the State C/I Tax Rate <i>(this rate is uniform statewide)</i>	$19,250 \times 50.827\% = \$9,784.20$
Step 10	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax + Fiscal Disparity Tax + State Tax = Total Tax	$\$10,692.37 + \$2,187.60 + \$8,736.86 + \$9,784.20 = \$31,401.03$