



Department of Property Records and Taxpayer Services

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
- Qualifying Low-Income Rental Housing 4D(1)
- Commercial/Industrial

An example of the calculation for each classification is shown, based on the rates in effect for PROPOSED taxes payable in 2026. 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, ISD 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 PROPOSED Taxes Payable in 2026

Residential Homestead

Instructions:		Example of Calculation:
Step 1	Determine the Estimated Market Value that the Assessor has assigned to the property.	250,000
Step 2	Calculate the Market Value Homestead Exclusion* A. Initial/Maximum Exclusion: Multiply the first 95,000 of Taxable Market Value x 40% B. Value over 95,000: Taxable Market Value minus 95,000 C. Benefit Reduction Amount: B x 9% D: Homestead Exclusion Amount: A - C	$95,000 \times 40\% = 38,000$ $250,000 - 95,000 = 155,000$ $155,000 \times 9.00\% = 13,950$ $38,000 - 13,950 = 24,050$
Step 3	Calculate the Taxable Market Value	$250,000 - 24,050 = 225,950$ (226,000)
Step 4	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	$226,000 \times 1.00\% = 2,260$ $0 \times 1.25\% = 0$ $2,260 + 0 = 2,260$
Step 5	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 110 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 = 94.84700185% Market Value Rate = 0.28850256%
Step 6	Calculate the Tax Capacity Tax	$2,260 \times 94.84700185\% = \$2,143.54$
Step 7	Calculate the Market Value Tax	$250,000 \times 0.28850256\% = \721.26
Step 8	Calculate the Total Tax before Special Assessments	$\$2,143.54 + \$721.26 = \$2,864.80$

*The Homestead Market Value Exclusion reduces the taxable market value for property classified as homestead. By decreasing the taxable market value, net property taxes are also decreased. New for Pay 2025, the calculation was changed so that the homestead exclusion benefits homes valued higher than the previous phased out value of \$413,800. The exclusion currently phases out at \$517,200.

For a homestead valued at \$95,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$38,000 at \$95,000 of market value.

For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus nine percent of the valuation over \$95,000.

For a homestead valued at \$517,200 or more, there is no valuation exclusion.

How to Calculate a Property Tax PROPOSED Taxes Payable in 2026

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	$250,000 \times 1.00\% = 2,500$ $0 \times 1.25\% = 0$ $2,500 + 0 = 2,500$
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 110 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 = 94.84700185% Market Value Rate = 0.28850256%
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate	$2,500 \times 94.84700185\% = \$2,371.18$
Step 5	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate	$250,000 \times 0.28850256\% = \721.26
Step 6	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax = Total Tax	$\$2,371.18 + \$721.26 = \$3,092.44$

How to Calculate a Property Tax PROPOSED Taxes Payable in 2026

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

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 Rate for Residential Non-Homestead & Apartment property: Multiply the Taxable Market Value x 1.25%	250,000 x 1.25% = 3,125
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 110 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 = 94.84700185% Market Value Rate = 0.28850256%
Step 4	Calculate the Tax Capacity Tax Multiply the Tax Capacity of the property by the Tax Capacity Rate	3,125 x 94.84700185% = \$2,963.97
Step 5	Calculate the Market Value Tax Multiply the Taxable Market Value of the property by the Market Value Referenda Rate	250,000 x 0.28850256% = \$721.26
Step 6	Calculate the Total Tax before Special Assessments Tax Capacity Tax + Market Value Tax = Total Tax	\$2,963.97 + \$721.26 = \$3,685.23

How to Calculate a Property Tax PROPOSED Taxes Payable in 2026

Qualifying Low-Income Rental Housing 4D(1)

Instructions:

Example of Calculation:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property for the 4D(1) classification.		1,000,000
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value x .25%	$1,000,000 \times 0.25\% = 2,500$
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 110 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 = 94.84700185% Market Value Rate = 0.28850256%
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate	$2,500 \times 94.84700185\% = \$2,371.18$
Step 5	Determine the Referenda Market Value (RMV)		
		Multiply the Taxable Market Value x 25%	$1,000,000 \times 25.00\% = 250,000$
Step 6	Calculate the Market Value Tax	Multiply the RMV of the property by the Market Value Referenda Rate	$250,000 \times 0.28850256\% = \721.26
Step 6	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax = Total Tax	$\$2,371.18 + \$721.26 = \$3,092.44$

How to Calculate a Property Tax PROPOSED Taxes Payable in 2026

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	<p>Multiply the Taxable Market Value by the statutory Class Rates for Commercial/Industrial property:</p> <p>A. Multiply the first 150,000 of Taxable Market Value x 1.50%</p> <p>B. Multiply the remainder of the Taxable Market Value x 2.00%</p> <p>C. A + B = Total Tax Capacity</p>	<p>150,000 x 1.50% = 2,250</p> <p>850,000 x 2.00% = 17,000</p> <p>2,250 + 17,000 = 19,250</p>
Step 3	Calculate the State Tax Capacity	<p>Multiply the Taxable Market Value by the statutory Class Rates for Commercial/Industrial property:</p> <p>A. Subtract the first 150,000 of Taxable Market Value</p> <p>B. The first 150,000 of Taxable Market Value is exempt from State Tax Capacity</p> <p>C. Multiply the remainder of the Taxable Market Value x 2.00%</p> <p>D. B + C = Total Tax Capacity</p>	<p>1,000,000 - 150,000 = 850,000</p> <p>150,000 x 0.00% = 0</p> <p>850,000 x 2.00% = 17,000</p> <p>0 + 17,000 = 17,000</p>
Step 4	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 110 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.		<p>Assume Property Located in Woodbury/SD 833/SWWS</p> <p>Tax Capacity Rate = 94.84700185%</p> <p>Market Value Rate = 0.28850256%</p> <p>Fiscal Disparity Rate = 132.675%</p> <p>State C/I Rate = 29.000%</p> <p>Fiscal Disparity Ratio = 38.5292%</p>
Step 5	Calculate the Fiscal Disparity Portion of the Tax Capacity	Multiply the Total Tax Capacity of the property by the Fiscal Disparity Ratio (this percentage varies by municipality)	19,250 x 38.5292% = 7,417
Step 6	Calculate the Local Portion of the Tax Capacity	Subtract the Fiscal Disparity Tax Capacity from the Total Tax Capacity of the property	19,250 - 7,417 = 11,833
Step 7	Calculate the Tax Capacity Tax	Multiply the Local Tax Capacity of the property by the Tax Capacity Rate	11,833 x 94.84700185% = \$11,223.25
Step 8	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate	1,000,000 x 0.28850256% = \$2,885.03
Step 9	Calculate the Fiscal Disparity Tax	Multiply the Fiscal Disparity Tax Capacity of the property by the Fiscal Disparity Tax Rate (this rate is uniform throughout the 7 metro counties)	7,417 x 132.675% = \$9,840.50
Step 10	Calculate the State Tax	Multiply the State Tax Capacity of the property by the State C/I Tax Rate (this rate is uniform statewide)	17,000 x 29.000% = \$4,930.00
Step 11	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax + Fiscal Disparity Tax + State Tax = Total Tax	\$11,223.25 + \$2,885.03 + \$9,840.50 + \$4,930.00 = \$28,878.78