

## ROLLBACK OR ASSESSMENT LIMITATION / 3% GROWTH EXPLANATION

Consider the following hypothetical conditions:

Residential Property January 1, 2022 statewide actual value is \$1,000,000

Current assessment limitation is 54.6501%

Resulting taxable value \$546,501

Assessment Limitation law allows for the \$546,501 to grow 3% to \$562,896

Assume the January 1, 2023 statewide residential actual value grows 20% to \$1,200,000

The assessment limitation would be calculated as  $\$562,896 / \$1,200,000 = 0.46908$  or 46.908%

**Hypothetical Example:** Let's say you are in a jurisdiction where your specific value increased from \$100,000 to \$130,000. Levy Rate stays same at \$31 / \$1,000.

|                 | 1-1-2022 Assessment<br>Payable 2023 – 2024 | 1-1-2023 Assessment<br>Payable 2024 – 2025 |
|-----------------|--|--|
| Actual Value    | \$100,000                                  | \$130,000 (+30%)                           |
| X Roll Back     | 0.546501                                   | .46908                                     |
| = Taxable Value | \$54,650                                   | \$60,980 (+11.58%)                         |
| X Levy Rate     | \$0.031                                    | \$0.031                                    |
| Estimate Tax    | \$1,694.15                                 | \$1,890.38 (+11.58%)                       |
| - Homestead     | \$150.35                                   | \$150.35                                   |
| Est Net Tax     | \$1,543.80                                 | \$1,740.03 (+12.71%)                       |

This shows the relationship between the assessed value, the rollback and the levy rate have on your taxes.