

How To Determine Your 2010 Homeowners Exemption

Assuming you have owned your home since 2004 or earlier, the calculation begins by determining the home's 2010 "Adjusted" Equalized Assessed Value. This involves a long series of math formulas. It begins with using the 2003 Assessed Value of the property as a base year. The final result is then compared to the actual 2010 Equalized Assessed Value.

For this example, we will assume the house has a 2003 assessed value of 25,000

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| Home 2003 assessed value | 25,000 |
| Multiplied by the 2003 State Equalizer | x 2.4598 |
| Equals the home's 2003 Equalized Assessed Value (EAV) | <u>61,495</u> |
| Minus the 2003 Homeowners Exemption amount | -4,500 |
| Gives the Base Year Value | <u>56,995</u> |

To protect owners from large rises in assessed value a 7% rule was put into effect per year.

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| 2004 adjusted EAV (2003 increased by 7%) = | 60,985 |
| 2005 adjusted EAV (2004 increased by 7%) = | 65,254 |
| 2006 adjusted EAV (2005 increased by 7%) = | 69,821 |
| 2007 adjusted EAV (2006 increased by 7%) = | 74,709 |
| 2008 adjusted EAV (2007 increased by 7%) = | 79,938 |
| 2009 adjusted EAV (2008 increased by 7%) = | 85,534 |
| 2010 adjusted EAV (2009 increased by 7%) = | 91,521 |

Now that the 2010 Adjusted EAV is known we compare it to the actual 2010 EAV. For this example we will say that the 2010 assessed value was 30,000.

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| 2010 Assessed Value of the home | 30,000 |
| Multiplied by the 2010 State Equalizer | x 3.30 |
| 2010 Equalized Assessed Value | <u>99,000</u> |

The Homeowners Exemption is will be the difference between the 2010 Adjusted EAV and the 2010 EAV multiplied by the tax rate. There is a maximum allowed of 20,000 and a minimum allowed of 6,000. For this example:

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|--|---------------|
| 2010 Equalized Assessed Value | 99,000 |
| Minus 2010 Adjusted Equalized Assessed Value | <u>91,521</u> |
| | 7,479 |

If the tax rate for this home is 6% then the Homeowners Exemption will be:

| | |
|--|-----------------|
| Difference between 2010 EAV and 2010 Adjusted EAV | 7,479 |
| Multiplied by the tax rate | <u>0.06</u> |
| Dollar Amount of Homeowners Exemption On Tax Bill | \$448.74 |

If your home was bought after 2004, the same formula applies, just use the Assessed Value of the house from the year before you purchased it and follow the same formula.