Understanding Our Budget

Factors Affecting Your Tax Bill

Overview

Remember, for each taxing authority: (Taxable value/1000) x mills = amount of monies owed.

Each tax bill is a collection of taxing authorities charging for services rendered for the public good. Each taxing authority determines how much revenue they will need to deliver the service which results in a millage rate on the tax bill.

Taxable value is found when something is appraised and a value is assigned to it. Factors that change that value include exemptions such as a Homestead Exemption. This could reduce the taxable value by up to $50,000, thereby reducing the total tax to be paid.

Fluctuating property values can cause a taxable value to change. Taxable value may have a fluctuating number, one that isn't constant from year to year, like the value of your home. The value of a home is determined through a formula which includes its market value. When the housing/real estate market is low, property values are low and that makes taxable values low. In order for a taxing authority to achieve the same amount of income, millage rates would have to rise to make up the difference in revenue. When housing/real estate markets are high, millage rates are frequently lowered.

Legislative action can change the amount of tax paid by issuing mandates to taxing authorities. For instance, there is no income tax in the State of Florida. When the State Legislature determines a particular service should be provided to its citizens, it can determine that the funding source for that service come from local taxing authorities.

In 2008 the electorate of Florida passed what was known as Amendment One. This allowed the portability of the Save Our Homes and Homestead Exemptions. The purpose of the amendment at the time was to lower property tax bills at a time when both property tax bills and homeowners insurance rates were very high.

Further action by the Legislature set in place a complicated formula limiting local government to the amount of revenue they can collect. Local government is only allowed to increase their ad valorem revenues by an amount equal to growth plus inflation.

Ad Valorem vs. Non-Ad Valorem

Ad Valorem is a type of tax, based on the value of property.

Non-Ad Valorem is a term for assessments that are not based on the value of property.

Tax bills have different sections. The top section is for Ad Valorem charges. The bottom section includes any Non-Ad Valorem assessments, such as a Sanitation Unit or a Fire District.

Location, Location, Location

A home owners tax bill can vary greatly with their next door neighbor or friends across town, depending on where a house a located, the infrastructure serving the house and how long the owner has been a resident.

Understanding Millage

Millage and Taxes are related, but they are not the same.

Millage can also be known as a mill and it is 1/10 of a cent. The Millage Rate is the amount per $1,000 that is used to calculate taxes on property.

Taxes are charges, imposed by an authority on persons or property for public purposes. Therefore, millage and taxes are related, but they are not the same. It is the Millage Rate, expressed through a mill, that is multiplied against a taxable value (the value of your home, for instance) that becomes a tax. The Millage Rate determines the amount to charge against something of value.

It is the job of the Property Appraiser (one of the elected constitutional officers) to appraise the value of the property and then certify the value of the property in the County. After exemptions are applied (such as the Homestead Exemption) that appraised value becomes the taxable value.

The taxing authorities then determine how many mills they need to charge the combined taxable value in order to receive the amount of revenue they think they need for the next fiscal year. (Taxable value x mills)/1000 = $$ in revenue.

Taxing authorities are units of government that determine the rate to collect monies (tax) and levy taxes for the public good.

These types of taxes are known as Ad Valorem taxes: taxes based on the value of property.