This workbook was updated January 2019. Please direct any questions or report any errors to PropTax.Admin@state.mn.us.
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Introduction

The Property Tax Calculation Workbook provides a concise introduction to the basic terms and methodology for calculating property taxes, as well as examples and problems that give thorough instruction on the step-by-step computations.

Purpose

This workbook serves two purposes. First, it provides basic training for any interested person (and particularly for state and local employees working with property taxes) on the mechanics of the property tax system. As such, this workbook can make a fairly complex system more understandable and accessible to the curious observer or new employee, as well as serve as a refresher to the experienced employee who perhaps has become somewhat removed from the procedures given today’s dependence on computer-generated calculations.

Second, it provides the necessary preparation for county officials to take the exam required to become certified in tax calculation. Minnesota law allows the Commissioner of Revenue to require that each county have at least one person certified in tax calculation. (Minnesota Statutes, section 273.0755, paragraph (b)) This training ensures that taxpayers will have someone at the county level to turn to who can manually work through a tax calculation and explain how their property tax amounts are determined.

Overview of Study Materials

The workbook explains the different components of calculating a property’s tax, gives examples, and provides problems for learners to work through. The workbook allows you to work at your own pace, whether you want a brief overview or to spend more time working through the material. It may take four to five hours to get through the entire workbook.

The Department of Revenue also provides an online course that complements this workbook. The version for taxes payable 2018 is available here: https://www.revenue.state.mn.us/property-tax-calculation-certification.

The online course was not updated for taxes payable in 2019. There are no differences in the mechanics of calculating taxes between payable 2018 and payable 2019. More information is noted on the webpage listed above.

Is there a test?

If you are studying this workbook for informational purposes, then testing is not necessary. The workbook includes problems for the student to work through as a tool for learning, with answers and solutions provided.

If you are studying this workbook to attain certification and compliance with Minnesota Statutes, section 273.0755, then there is a test. The exam is only offered online and is available to you after you register on our website. One hour is provided to take the exam, and a passing certificate may be printed at your convenience. The certificate expires after four years.
Getting Started

Intuitively, calculating one’s property tax should be quite simple: Value x Rate = Tax

Minnesota’s property tax system, however, is very complex. The task of calculating the net tax for a parcel of property is affected by many features of the system. This workbook is designed to lead you through this maze so that upon completion, you can compute the tax on a parcel of property given the taxable market value, its classification, and the tax rates that apply to the parcel.

Though this workbook is primarily designed for training county assessors, auditors, or other officials in the tax calculation process, it is also available for anyone interested in obtaining a better understanding of how property taxes are calculated. This workbook is updated annually.

Before we begin, please note the following housekeeping items:

- Acronyms are defined and used in this workbook. There is a list in the Appendix – Resources section of this workbook.

- Once you begin calculating taxes, you will need to refer to the class rate table, which lists the classification percentages and applicable taxes for each type of property. You can find the table in the Appendix – Resources section of this document. The table is also available on the property tax calculation certification webpage.

- You may need to refer to the Agricultural Homestead Market Value Credit explanation as you compute credits. This is also available in the Appendix – Resources section of this document.

- All intermediate and final calculations have been rounded to the nearest dollar in this workbook. You may wish to use a calculator to perform these computations.
Part I - General Concepts

Estimated Market Value (EMV)

The statutory definition of market value is “the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm’s-length transaction. The price obtained at a forced sale shall not be considered.” (Minnesota Statutes, section 272.03, subdivision 8)

In other words, the county or local assessor estimates what a property would sell for in an open-market transaction based on sales and market value income approach trends.

The definition of estimated market value (EMV) is “the assessor’s determination of market value, including the effects of any orders made . . . for the parcel.” (Minnesota Statutes, section 272.03, subdivision 14)

However, a property’s EMV is not necessarily its taxable market value.

Taxable Market Value (TMV)

Taxable market value refers to the amount of value that is used in calculating taxes. This can differ from estimated market value due to special programs that may apply to the property such as Green Acres, Plat Law, etc. The factors affecting taxable market value, in order of their application, are:

Taxable Market Value Calculation
1. Estimated Market Value
2. Green Acres Deferment
3. Rural Preserves Deferment
4. Open Space Deferment
5. Aggregate Resource Preservation Deferment
6. Platted Vacant Land Exclusion
7. Disabled Veterans’ Homestead Exclusion
8. Mold Damage Reduction
9. MV Prior to Homestead MV Exclusion (1-2-3-4-5-6-7-8)
10. Homestead Market Value Exclusion
11. Taxable Market Value (9-10)

We will cover general information about deferments, reductions, and exclusions in Part II of this workbook. The Green Acres deferment and Homestead Market Value Exclusion will be covered in the most detail.

Taxable market value is not the major base value for calculating Minnesota property taxes. Minnesota employs a unique adjusted value called net tax capacity.

Tax Bases

Referendum Market Value and Net Tax Capacity
At the most basic level, there are two types of bases upon which property taxes are levied in Minnesota: net tax capacity and referendum market value.
Net Tax Capacity (NTC)
Net tax capacity is taxable market value multiplied by the appropriate class rate specified in statute for the use classification of the property. For example, the residential homestead classification has a class rate of 1.00%. The NTC of a residential homestead with a taxable market value of $100,000 is calculated as follows.

\[ $100,000 \times 1.00\% = $1,000 \]

This adjustment allows homesteads, commercial property, and any other type of property defined in statute to be taxed at different levels.

NTC is the base value used in calculating the majority of a property’s tax. However, some property taxes are levied against referendum market value.

Referendum Market Value
Referendum market value is calculated for homestead property using the market value prior to the homestead market value exclusion (reference the Market Value Hierarchy chart on page 13 for more information). For nonhomestead properties, the referendum market value is calculated using the taxable market value. However, there are some types of property that are not subject to voter-approved levies based on referendum market value or that are subject to the tax at its full taxable market value. Farm values (other than the house, garage, and first acre) and cabins are not included, and any class with a class rate of less than 1% is only partially subject to the tax. (The specifics of these variations will be identified later.)

State NTC vs Local NTC Tax Bases
In addition, as discussed earlier in this chapter, there are really two different types of net tax capacity-based tax bases: the local net tax capacity tax base for levies by local jurisdictions and the state net tax capacity tax bases for the state general property tax. The state net tax capacity tax bases differ from the local net tax capacity tax base in that they are limited to certain classifications.

Two State NTC Tax Bases: Commercial-Industrial and Seasonal Residential Recreational
Statute defines a “commercial-industrial tax capacity” and a “seasonal residential recreational tax capacity” to define the property that is subject to the state general property tax.

This is described in detail beginning on page 31.

TIF and Fiscal Disparities
Some might consider the retained captured value within a TIF district, or the area-wide tax base of fiscal disparities (as described in Chapter 5 of the Auditor/Treasurer Manual) to be additional tax bases. However, these values are not subject to specific levies and are more ancillary features of the property tax system and are generally not regarded to be formal tax bases.

Tax Bases Identified
The following figure identifies how the various components or distinctions result in six distinct tax bases. Initially there are two major types of values upon which levies are spread:

1. referendum market value (RMV)
2. net tax capacity (NTC)

The NTC component must be further split between:
1. a measure of local net tax capacity (LNCT)
2. the more narrowly defined state net tax capacity (SNCT)

The levy for the state tax is actually divided into two parts and spread on separate bases:

1. the commercial-industrial net tax capacity (C/I SNCT)
2. the seasonal residential recreational net tax capacity (SRR SNCT)

**Local Levies and Referendum Levies**

**Local Levies**
Local units of government (counties, cities, townships, school districts, and special taxing districts) determine the amount of money they will need to fund their various services (such as fire protection, street maintenance, and various education programs) for the coming year. Budgets are prepared based on service costs and non-property tax revenue. Non-property tax revenue includes state and federal aids, parking meters, fines, licenses, permits, municipal liquor stores, and local sales taxes. The portion of the budget that will need to be financed by property taxes (the levy) is generally determined as the difference between service costs and non-property tax revenue. Therefore, local levies are influenced by both local choices about services to provide, and by changes in other revenues such as state aids.

Local levies are levied on net tax capacity.

**Referendum Levies**
State law allows local governments to initiate voter referenda for various purposes. These are most commonly used by school districts to raise additional operating funds, or by other local governments for operating and/or debt purposes. Some are calculated based on referendum market value and some on net tax capacity. See page 27 for more information on RMV levies.

A taxpayer may own several properties subject to referendum levies, but the taxpayer may only vote on referenda based on his or her primary residence. For example, if a taxpayer is homesteaded in one county and
owns commercial property in another county, she may only vote on referenda in the county where she is homesteaded.

The State General Property Tax Levy
State law establishes a state levy amount that is deposited in the general fund. (Minnesota Statutes, section 275.025) This tax is levied on net tax capacity, but only for certain types of property—generally business and seasonal recreational property. (More specific definition of this base will be presented later in the workbook.)

Once levies are set and base values established, it is the job of the county auditor to determine tax rates for local levies. The Department of Revenue certifies the state tax rate to county auditors.

Auditors

Each county elects or appoints a county auditor who keeps a record of all taxable property in the county and delivers a list of property owners and their respective taxes to the county treasurer. (Often the auditor and treasurer are the same person and titles may vary.) All local taxing district property tax levies are certified to the county auditor and the auditor is responsible for determining the tax rates. Most parcels in the state are locally taxed by a county, a city or township, a school district, and may be taxed by one or more special taxing districts such as watersheds.

The calculation of local rates is not as simple as dividing the levy of a jurisdiction by the total NTC of a jurisdiction. There are adjustments to the total NTC to consider.

Adjustments to Net Tax Capacity Value, Initial Tax Rate Determination, Initial Tax Rate

Adjustments to Net Tax Capacity Value
The auditor calculates initial tax rates by dividing the certified levy by the taxable net tax capacity (TNTC) rather than the net tax capacity.

\[
\text{Property tax revenue needed (levy) / Taxable net tax capacity = Local tax rate}
\]

Net tax capacity values are reduced by tax increment value, certain power line value, and fiscal disparities contribution value to obtain a taxable net tax capacity. The levy used in calculating the rate is actually less the fiscal disparity distribution tax (metropolitan and iron range counties only), but we’ll spare you that detail in this workbook other than making note of it.

Taxable Net Tax Capacity Calculation
1. Total Net Tax Capacity
2. Powerline Net Tax Capacity
3. Fiscal Disparity Contribution Net Tax Capacity
4. Tax Increment Financing (TIF) Net Tax Capacity
5. Taxable Net Tax Capacity = 1-2-3-4

Taxable net tax capacity value is the value used to determine tax rates.
Initial Tax Rate Determination

When the property tax levies of all local taxing districts have been set and certified to the county auditor, and when taxable net tax capacity values have been determined, then initial tax rates for each local governmental unit (i.e., county, city, town, school and special taxing districts) are determined. Basically, the initial tax rate for local units of government is calculated by dividing the certified property tax levy, less the fiscal disparity distribution levy, by the taxable net tax capacity value. For example, if a city’s levy less the fiscal disparity distribution levy was $100,000 and the taxable net tax capacity value was $350,000, the total city initial tax rate would be calculated as follows:

\[
\frac{100,000}{350,000} = 0.28571 \text{ or } 28.571\%
\]

In a unique taxing area (a geographic area subject to the same set of tax rates), the total initial tax rate is equal to the sum of the initial tax rates for all taxing districts levying in that area (county rate + city or township rate + school rate + special taxing district rate). This total rate is applied to each taxable parcel of property in the unique taxing area to determine the amount of net tax capacity based-property tax which is owed, unless the unique taxing area receives disparity reduction aid.

We’ll soon be ready to move on to the calculation examples, but there are still a couple more quirks to be aware of concerning rates.

Initial Tax Rate Exceptions

Under normal circumstances, initial tax rates are calculated by using the formula above. However, there are instances where initial tax rate calculations deviate from the norm. Examples of these are fire protection districts, rural-urban districts, and subordinate service districts. In some districts like these, the levies may only apply to a subset of properties, or perhaps only to land or improvements. Therefore, in some cases, there can be different rates for different properties located in the same set of taxing jurisdictions.

Local Tax Rate Determination, Disparity Reduction Aid

If a unique taxing area receives Disparity Reduction Aid (DRA), the initial tax rate for each taxing district receiving DRA in the unique taxing area must be reduced. The resulting rate is the local tax rate. DRA was created by the 1988 Legislature to provide relief for high tax rate areas. (Minnesota Statutes, section 273.1398, subdivision 3)

Unlike other aids that serve as non-property tax revenue and affect levy decisions, DRA is applied directly to rates. It has no effect on the state tax rates. (Remember we are talking about local rates. DRA does not affect the state tax rate or referendum rates.) DRA cannot reduce the total local tax rate below 90%. If the unique taxing area does not receive DRA, the local tax rate is equal to the initial tax rate.

Now that you are familiar with the different kinds of levies and can identify local tax rates (rather than initial tax rates), the state tax rate, and referendum tax rates, you are ready to explore the process of computing net tax capacities and taxes.

Understanding the Property Tax Statement

If you are a county employee who is using this workbook to study for certification in property tax calculation, the purpose of this certification is largely intended to help you explain to taxpayers who come in with questions about how their tax was computed. These taxpayers may often also have questions about their tax statements and what the line items represent. Even if you are just studying this workbook to better understand the tax calculation process, you may also benefit from becoming more familiar with the tax statement. In this section,
we are going to look at property tax statements in Minnesota and relate it to what we have just learned. It will help you to connect what you have learned in this workbook to the property tax statement.

Most of the elements of the statement are required by law or prescribed by the Department of Revenue (Minnesota Statutes, section 276.04), but specific formats for tax statements can vary by county. You might expect the tax statement to walk through the tax calculations, but this is not the case. Instead, several pieces of information relating to the “behind-the-scenes” calculations are presented in line items to communicate some of the factors affecting your tax and where your tax dollars go. The state wants to ensure that the relief mechanisms that the legislature has built into the system are visible, and lawmakers want to make sure taxpayers know where their tax dollars are going.

A sample property tax statement and instructions for county treasurers are available online at www.revenue.state.mn.us. Type “Property Tax Statements” into the search box at the top of the screen.

There are several other pieces of information contained on the statement. First, you will notice certain components or features of the statement:

1. the county specific header;
2. a block of information containing the property identification number and all owners’ names and addresses
3. a block of information containing the property classification and assessed values
4. two years of tax information
5. a bottom section of the statement usually contains tear off portions for first- and second-half payments including the amount due and where it should be paid

The assessment information includes key information that we have addressed in this workbook. The classification that the assessor has assigned to the property should be on the statement, and the amount of new improvements noted. The estimated and taxable market values are also shown. Frequently, taxpayers will gravitate to these values once they know the taxes that are due even though separate valuation notices are sent and the chance to appeal those values has largely passed by the time tax statements go out.

For the purposes of property tax statements, tax amounts may be rounded to the nearest even whole dollar. Additionally, whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. (Minnesota Statutes, section 276.04, subdivision 2, paragraph (a))
Part II - Gross Tax Computations

A. Calculating Taxable Market Value

Before net tax capacity can be calculated, the taxable market value of a parcel must be determined. As introduced in Part I, taxable market value is determined through the hierarchy of market value components:

1. Estimated Market Value
2. Green Acres Deferment
3. Rural Preserves Deferment
4. Open Space Deferment
5. Aggregate Resource Preservation Deferment
6. Platted Vacant Land Exclusion
7. Disabled Veterans’ Homestead Exclusion
8. Mold Damage Reduction
9. **MV Prior to Homestead MV Exclusion**
10. Homestead Market Value Exclusion
11. Taxable Market Value (9-10)

**Special Program Type** | **Function** | **Example**
--- | --- | ---
Deferment | Allows qualified property owners to postpone payment of taxes | Rural Preserve<br>Senior Citizens Property Tax Deferral<br>Aggregate Resource Preservation<br>Open Space<br>Green Acres
Exclusion | Excludes property value from taxation for various reasons | Plat Law<br>Disabled Veterans’ Homestead Exclusion<br>Homestead Market Value Exclusion
Reduction | Reduces property value with the intent to keep taxes lower on certain properties | Mold Damage Reduction

Exclusions and exemptions are often confused for one another. Properties that are exempt from taxes do not pay taxes. Exclusions, on the other hand, remove some of the value from the tax base. An owner of an exempt property would not pay any taxes, while an owner of a property with an exclusion could pay taxes. A property qualifying for an exclusion could still have taxable value.

**Deferments – Green Acres**
The Green Acres deferral program was created in as a response to nonagricultural pressures on the values of agricultural properties.
The deferred taxes on a property enrolled in the Green Acres program become a lien on the property. Taxes are due when the land no longer qualifies for the deferral. Generally, a property no longer qualifies when it is sold, transferred, or subdivided.

When a payback is required, three years’ deferred taxes are due. The Department of Revenue’s Property Tax Information and Education section handles questions on Green Acres paybacks. For more information on this program, please refer to the Property Tax Administrator’s Manual or email PropTax.Questions@state.mn.us.

Exclusions – Homestead Market Value Exclusion
The Homestead Market Value Exclusion is the last item in the hierarchy of market value components before taxable market value. (Minnesota Statutes, section 273.13, subdivision 35) Property classified as class 1a or 1b, and the portion of property classified as class 2a consisting of the house, garage and surrounding one acre of land, shall be eligible for a market value exclusion. We will now focus on the actual calculation of the exclusion. The following examples will illustrate these calculations for different types of property. Problems for you to work through are found later in this workbook.

Calculation of the homestead market value exclusion involves several steps. For a homestead valued at $76,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of $30,400 at $76,000 of market value. For a homestead valued between $76,000 and $413,800, the exclusion is $30,400 minus nine percent of the valuation over $76,000. For a homestead valued at $413,800 or more, there is no valuation exclusion. Detailed calculation examples begin on page 16.

If a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the exclusion amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant’s percentage of ownership. When an owner-occupant’s spouse does not occupy the property (and it does not receive a full homestead for the allowable instances when spouses can live apart), the percentage of ownership for the owner-occupant spouse is one-half of the couple’s ownership percentage.
The valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than zero.

An individual qualifying for the disabled veterans’ homestead exclusion is not eligible to receive the homestead market value exclusion benefit. (Minnesota Statutes, section 273.13, subdivision 34, paragraph (g))
Example 1: Homestead Market Value Exclusion

<table>
<thead>
<tr>
<th>Class</th>
<th>1a Residential Homestead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value Prior to HMVE</td>
<td>$280,000</td>
</tr>
</tbody>
</table>

**Step 1** Determine the amount of value over $76,000

- $280,000 - $76,000 = $204,000

**Step 2** Calculate the maximum exclusion amount

- $76,000 x 40% = $30,400

**Step 3** Determine the reduction

- $204,000 x 9% = $18,360

**Step 4** Calculate the exclusion amount

- $30,400 - $18,360 = $12,040
Example 2: Homestead Market Value Exclusion

<table>
<thead>
<tr>
<th>Class</th>
<th>Market Value Prior to HMVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a Residential Homestead</td>
<td>$40,000 Living Quarters</td>
</tr>
<tr>
<td>3a Commercial</td>
<td>$55,000 Store</td>
</tr>
</tbody>
</table>

**STEPS**

**STEP 1** Determine the amount of value over $76,000
- $40,000 - $76,000 = $0

**STEP 2** Calculate the maximum exclusion amount
- $40,000 x 40% = $16,000

**STEP 3** Determine the reduction
- $0

**STEP 4** Calculate the exclusion amount
- $16,000 - $0 = $16,000
Example 3: Homestead Market Value Exclusion

<table>
<thead>
<tr>
<th>Class</th>
<th>1a Residential Homestead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two unrelated owners, one occupant</td>
<td>Occupant has 50% homestead</td>
</tr>
<tr>
<td>Market Value Prior to HMVE</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

**STEP 1 Determine the amount of value over $76,000**

- $275,000 - $76,000 = $199,000

**STEP 2 Calculate the maximum exclusion amount**

- $76,000 x 40% = $30,400

**STEP 3 Determine the reduction**

- $199,000 x 9% = $17,910

**STEP 4 Calculate the exclusion amount**

- $30,400 - $17,910 = $12,490

**STEP 5 Fractionalize the exclusion**

- $12,490 x 50% = $6,245
B. Local Net Tax Capacity Based Levies

1. Calculating Net Tax Capacities
The net tax capacity for the parcel is based upon the taxable market value for each parcel and the use classification assigned by the assessor. The legislature has defined each type of property according to its use and assigned percentages called class rates. A table of these class rates is available to you in the Appendix - Resources section at the end of this document. If you haven’t already done so, you may wish to have it front of you for easy reference as you continue.

The formula for net tax capacity is:

\[ \text{Net Tax Capacity} = (\text{Taxable Market Value}) \times (\text{Classification Rate}) \]

You might be wondering whether we should be talking about net tax capacities (NTC) or taxable net tax capacities (TNTC).

TNTC is used for calculating the rate because TIF, powerline, and fiscal disparity contribution values are not included in the base for raising property tax levies. However, the taxes are still imposed on these properties—which is to say that taxes are imposed on NTC. The revenue raised on TIF captured NTC becomes the supplemental increment revenue that funds TIF districts. The revenue raised on powerline NTC goes to fund powerline credits, and the revenue raised on fiscal disparity contribution NTC supplies the pooled funds distributed through the tax base sharing programs. The distribution levies are subtracted by the auditor when setting the rates so this shared pool doesn’t become funds in addition to the amount being levied.

So in other words, rates are calculated using TNTC but taxes for each property are based on NTC.

2. Calculating Net Tax Capacity Tax
Net tax capacity based tax is equal to the sum of all of the net tax capacity based local tax rates levied on the property by its local taxing districts (county, city or township, school district, and special taxing districts) multiplied by the net tax capacity of the property.

\[ \text{Net Tax Capacity Tax} = (\text{Net Tax Capacity}) \times (\text{Sum of all local tax rates}) \]

The following examples will illustrate these calculations for different types of property, and following these examples will be problems for you to work through.
Examples – Calculating Net Tax Capacity and Net Tax Capacity Tax
All three of the following examples are located in the same unique taxing area. (Remember a unique taxing area is an area with the same set of taxing jurisdictions so the same total rate applies to the property in that area.)

The county net tax capacity rate is 55.20%

The city rate is 34.90%

The school district rate is 10.10%

One special taxing district has a rate of 2.50%

The total net tax capacity rate can be computed as follows:

\[
\text{Total Net Tax Capacity Tax Rate} = \text{County Net Tax Capacity Rate} + \text{City Rate} + \text{School District Rate} + \text{Special Taxing District Rate} = 102.70\%
\]
Example 1: Net Tax Capacity Tax

<table>
<thead>
<tr>
<th>Class</th>
<th>1a Residential Homestead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Market Value</td>
<td>$514,000</td>
</tr>
<tr>
<td>Net Tax Capacity Tax Rate</td>
<td>102.70%</td>
</tr>
</tbody>
</table>

**STEP 1 Determine the class rate**
- First $500,000 = 1.00%
- Over $500,000 = 1.25%

**STEP 2 Calculate the value in each tier**
- $514,000 - $500,000 = $14,000
- Tier 1: $500,000
- Tier 2: $14,000

**STEP 3 Calculate the net tax capacity**
- Tier 1: $500,000 x 1.00% = $5,000
- Tier 2: $14,000 x 1.25% = $175
- $5,000 + $175 = $5,175

**STEP 4 Calculate the net tax capacity tax**
- $5,175 x 102.70% = $5,315
Example 2: Net Tax Capacity Tax

<table>
<thead>
<tr>
<th>Class</th>
<th>2a Agricultural Homestead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Market Value</td>
<td>$2,344,000</td>
</tr>
<tr>
<td></td>
<td>HGA: $199,000</td>
</tr>
<tr>
<td></td>
<td>Remainder: $2,145,000</td>
</tr>
<tr>
<td>Net Tax Capacity Tax Rate</td>
<td>102.70%</td>
</tr>
</tbody>
</table>

**STEP 1** Determine the class rate

- **HGA**
  - First $500,000 = 1.00%
  - Over $500,000 = 1.25%

- **Remainder**
  - First $1,900,000 = 0.50%
  - Over $1,900,000 = 1.00%

**STEP 2** Calculate the value in each tier

- **HGA**
  - Tier 1: $199,000

- **Remainder**
  - $2,145,000 - $1,900,000 = $245,000
  - Tier 1: $1,900,000
  - Tier 2: $245,000

**STEP 3** Calculate the net tax capacity

- **HGA**
  - $199,000 x 1.00% = $1,990

- **Remainder**
  - Tier 1: $1,900,000 x 0.50% = $9,500
  - Tier 2: $245,000 x 1.00% = $2,450

- **Total**: $1,990 + $9,500 + $2,450 = $13,940

(Continued on next page)
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**STEP 4 Calculate the net tax capacity tax**

- $13,940 \times 102.70\% = 14,316$
Problems - Calculating Net Tax Capacity Tax

Now it’s your turn. Below are five problems for you to work through. The total net tax capacity tax rate is given, as are the property type and taxable market value. Use the class rate table to find the appropriate class rate(s) and calculate the NTCs and taxes. When you are finished with the problem, you can check your answer with the solution on the following page.

Total Net Tax Capacity Tax Rate = 102.70%

Problem #1: Noncommercial seasonal residential recreational property (cabin) with a TMV of $140,000.

Problem #2: Residential Homestead with a TMV of $1,255,000.

Problem #3: Farm with a TMV of $465,000. HGA is valued at $165,000; remainder of farm is valued at $300,000.

Problem #4: Commercial property with a TMV of $270,000.

Problem #5: Split Class 4bb Residential Non-Homestead and 3a Commercial parcel consisting of a rental apartment over a hardware store. The rental unit has a TMV of $35,000, and the hardware store has a TMV of $77,000.
Solutions - Calculating Net Tax Capacity Tax

Problem #1: Noncommercial seasonal residential recreational property (cabin) with a TMV of $140,000.

1. Net Tax Capacity:
   \[ 140,000 \times 1.00\% = 1,400 \]
   Total net tax capacity = $1,400

2. Net Tax Capacity Tax: $1,400 \times 102.70\% = $1,438

Problem #2: Residential Homestead with a TMV of $1,255,000.

1. Net Tax Capacity:
   \[ 500,000 \times 1.00\% = 5,000 \]
   \[ 755,000 \times 1.25\% = 9,438 \]
   Total net tax capacity = $14,438

2. Net Tax Capacity Tax: $14,438 \times 102.70\% = $14,828

Problem #3: Farm with a TMV of $465,000. HGA is valued at $165,000; remainder of farm is valued at $300,000.

1. Net Tax Capacity:
   \[ 165,000 \times 1.00\% = 1,650 \]
   \[ 300,000 \times 0.50\% = 1,500 \]
   Total net tax capacity = $3,150

2. Net Tax Capacity Tax: $3,150 \times 102.70\% = $3,235

Problem #4: Commercial property with a TMV of $270,000.

1. Net Tax Capacity:
   \[ 150,000 \times 1.50\% = 2,250 \]
   \[ 120,000 \times 2.00\% = 2,400 \]
   Total net tax capacity = $4,650

2. Net Tax Capacity Tax: $4,650 \times 102.70\% = $4,776

Problem #5: Split Class 4bb Residential Non-Homestead and 3a Commercial parcel consisting of a rental apartment over a hardware store. The rental unit has a TMV of $35,000, and the hardware store has a TMV of $77,000.

1. Net Tax Capacity:
   \[ 35,000 \times 1.00\% = 350 \]
   \[ 77,000 \times 1.50\% = 1,155 \]
   Total net tax capacity = $1,505

2. Net Tax Capacity Tax: $1,505 \times 102.70\% = $1,546
C. Referendum Market Value Based Levies

Now that you can calculate local net tax capacity based levies, let’s move on to referendum market value-based levies.

The referendum market value based levy is equal to the referendum market value multiplied by the referendum market value tax rate. Let’s take a closer look at referendum market value.

1. Referendum Market Value

As we noted above, referendum market value (RMV) means the taxable market value of all taxable property, with two exceptions. (Minnesota Statutes, section 126C.01, subdivision 3)

First, certain types of property that are not subject to referendum levies are excluded. Excluded from Referendum Market Value are properties classified as:

- Class 2a farm land and buildings beyond the house, garage and first acre
- Class 2b rural vacant land
- Class 4c(12) non-commercial seasonal residential recreational (cabins)
- Class 4c(4) post-secondary student housing

Second, any class of property or any portion of a class of property that is included in the definition of referendum market value and that has a class rate of less than 1.00% shall have a referendum market value equal to its net tax capacity multiplied by 100. This basically preserves the proportion of relief relative to the homestead rate of 1.00%, but at an order of magnitude for market values rather than net tax capacities. As an example, class 1b homesteads of persons blind or disabled have a class rate of 0.45% on the first $50,000 of the market value prior to the homestead market value exclusion (see next paragraph on homesteads).

In the case of class 1a, 1b, or 2a property, the market value used to determine referendum market value is the value prior to the homestead market value exclusion.
2. Referendum Market Value for All Taxing Districts for Taxes Payable in 2019
The following table summarizes referendum market value. If you haven’t printed out the workbook, you may wish to print this table and have it front of you for easy reference as you continue.

<table>
<thead>
<tr>
<th>Class</th>
<th>Real Property Description</th>
<th>Referendum Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1b</td>
<td>Homestead of Persons who are Blind/Disabled</td>
<td>45% on first $50,000 of market value prior to HMVE Over $50,000, same as 1a or 2a, whichever applies</td>
</tr>
<tr>
<td>1c</td>
<td>Ma &amp; Pa Resort</td>
<td>50% on first $600,000 of taxable market value 100% on taxable market value over $600,000</td>
</tr>
<tr>
<td>2a</td>
<td>Agricultural homestead land and buildings excluding HGA</td>
<td>$0</td>
</tr>
<tr>
<td>2b</td>
<td>Rural Vacant Land</td>
<td>$0</td>
</tr>
<tr>
<td>4c(12)</td>
<td>Non-commercial seasonal recreational residential</td>
<td>$0</td>
</tr>
<tr>
<td>4c(4)</td>
<td>Post-secondary student housing</td>
<td>$0</td>
</tr>
<tr>
<td>4c(5)(ii)</td>
<td>Manufactured Home Park (&gt;50% owner occupied)</td>
<td>75% of taxable market value</td>
</tr>
<tr>
<td>4d</td>
<td>Low-income Rental Housing (per unit)</td>
<td>75% on first $121,000 of taxable market value 25% on taxable market value over $121,000</td>
</tr>
<tr>
<td></td>
<td>Most other property (see class rate table on last page of workbook)</td>
<td>100% of taxable market value or market value prior to HMVE</td>
</tr>
</tbody>
</table>

3. Referendum Market Value Levies
School operating referendum levies are voter-approved levies that are used for the day-to-day general operations of the school. School taxes for the local share of the operating referendum, local optional revenue, equity revenue, and transition revenue are computed and spread against referendum market value. All school debt levies must be based on net tax capacity, whether they are voter-approved or not.

Other local units of government, including counties, cities, towns, and special taxing districts, may have voter-approved referendum levies for either operating purposes or debt. If approved by voters by June 30, 2008, they are calculated based on referendum market value. If approved by voters after June 30, 2008, they are calculated based on net tax capacity.

Let’s take a look at some examples when given the rate and property type to see how RMV and the tax are calculated.
Example: Referendum Market Value Tax

<table>
<thead>
<tr>
<th>Class</th>
<th>2a Agricultural Homestead</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMV</td>
<td>$754,600</td>
</tr>
<tr>
<td>HGA Prior to HMVE</td>
<td>$60,000</td>
</tr>
<tr>
<td>Remainder</td>
<td>$694,600</td>
</tr>
<tr>
<td>RMV Rate</td>
<td>0.05382%</td>
</tr>
</tbody>
</table>

**STEP 1 Determine the referendum market value**
- $60,000

**STEP 2 Calculate the RMV Tax**
- $60,000 x 0.05382% = $32
Problems - Calculating Referendum Market Value Tax

It’s your turn again. Based on the given property types and tax rate, calculate Referendum Market Values and taxes for the following problems. When you are finished with the problem, you can check your answer with the solution on the following page.

The Referendum Market Value Tax Rate = 0.05382%

**Problem #1:** Cabin with a TMV of $140,000.

**Problem #2:** Residential Homestead with a market value prior to the homestead market value exclusion of $189,400. The owner qualifies for a disabled homestead.

**Problem #3:** Farm where the HGA has a market value prior to the HMVE of $300,000; the remainder TMV is $165,000.

**Problem #4:** Commercial property with a TMV of $270,000.

**Problem #5:** Split Class 4bb Residential nonhomestead and 3a Commercial consisting of a rental apartment over a hardware store. The rental unit has a TMV of $35,000, and the hardware store has a TMV of $77,000.
Solutions - Calculating Market Value Referendum Tax

Problem #1: Cabin with a TMV of $140,000.

1. Referendum Market Value: $0
2. Referendum Market Value Tax: $0

Did you catch this one? Seasonal residential recreational property is not subject to the referendum market value tax.

Problem #2: Residential Homestead with a market value prior to the homestead market value exclusion of $189,400. The owner qualifies for a disabled homestead.

1. Referendum Market Value: $161,900
   First $50,000 x 45% = $22,500
   Remainder ($189,400 - $50,000) = $139,400
   Total = $22,500 + $139,400 = $161,900
2. Referendum Market Value Tax: $161,900 X 0.05382% = $87

Problem #3: Farm where the HGA has a market value prior to the HMVE of $300,000; the remainder TMV is $165,000.

1. Referendum Market Value: $300,000
2. Referendum Market Value Tax: $300,000 x 0.05382% = $161

Problem #4: Commercial property with a TMV of $270,000.

1. Referendum Market Value: $270,000
2. Referendum Market Value Tax: $270,000 x 0.05382% = $145

Problem #5: Split Class 4bb Residential non-homestead and 3a Commercial consisting of a rental apartment over a hardware store. The rental unit has a TMV of $35,000, and the hardware store has a TMV of $77,000.

1. Referendum Market Value: $112,000
2. Referendum Market Value Tax: $112,000 x 0.05382% = $60
D. State General Property Tax

The state tax levy amount is defined in statute and goes to the state’s general fund, along with many other state taxes, from which school aids are paid. The tax is imposed on business and seasonal recreational property. The state general property tax is collected by the counties but is remitted to the state after collection. (Minnesota Statutes, section 275.025)

The state general property tax levy has two components: a commercial-industrial (C/I) property levy and a seasonal residential recreational (SRR) property levy. Beginning with taxes payable in 2018, the C/I levy is set at $784,590,000 and the SRR levy is set at $44,190,000.

Commercial-Industrial Tax Capacity
The tax capacity base of the state tax is different from the tax capacity base for local levies.

Commercial-industrial tax capacity is the tax capacity of all taxable property classified as class 3 or class 5(i), excluding:

1. The first $100,000 of market value of each parcel of class 3 property
2. Electric generation attached machinery under class 3
3. Any property of the Minneapolis-St. Paul International Airport and Holman Field in St. Paul

For the purposes of the state general property tax only, the net tax capacity of class 3 property has the following class rate structure:

<table>
<thead>
<tr>
<th>Class Range</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $100,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>$100,001 - $150,000</td>
<td>1.50%</td>
</tr>
<tr>
<td>Over $150,000</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

Seasonal Residential Recreational Tax Capacity
Seasonal residential recreational tax capacity is the tax capacity of:

1. Class 1c property, third tier (the market value over $2,300,000)
2. Class 4c(1) property
3. Class 4c(3)(ii) property
4. Class 4c(12) property

For the purposes of the state general tax only, the net tax capacity of class 4c(12) property has the following class rate structure (Minnesota Statutes, section 273.13):

<table>
<thead>
<tr>
<th>Class Range</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $76,000</td>
<td>0.40%</td>
</tr>
<tr>
<td>$76,001 - $500,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>1.25%</td>
</tr>
</tbody>
</table>
State General Property Tax Class Rates

The state general property tax is levied at two uniform rates statewide – one for commercial-industrial, one for seasonal residential recreational – as calculated by the Department of Revenue. For taxes payable in 2019, the preliminary rates are as follows:

- the commercial-industrial state general levy property tax rate is 41%
- the seasonal residential recreational state general levy property tax rate is 20%

The preliminary rates are used for calculations in this workbook.

The commissioner of revenue announces the final state general property tax rates by January 1 of each year. You can find them here: https://www.revenue.state.mn.us/state-general-property-tax-rate.
**Example 1: State General Tax**

<table>
<thead>
<tr>
<th>Class</th>
<th>4c(12) Cabin</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMV</td>
<td>$314,000</td>
</tr>
<tr>
<td>SGT Rate</td>
<td>20%</td>
</tr>
</tbody>
</table>

**STEP 1 Determine the value for the state tax**
- First $76,000 = 0.40%
- $76,000 to $500,000 = 1.00%
- Over $500,000 = 1.25%
- $314,000 - $76,000 = $238,000
  - Tier 1: $76,000
  - Tier 2: $238,000

**STEP 2 Calculate the NTC for the state tax**
- Tier 1: $76,000 x 0.40% = $304
- Tier 2: $238,000 x 1.00% = $2,380
- $304 + $2,380 = $2,684

**STEP 3 Calculate the state general tax**
- $2,684 x 20% = $537
Example 2: State General Tax

<table>
<thead>
<tr>
<th>Class</th>
<th>1c Ma &amp; Pa Resort</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMV</td>
<td>$2,598,000</td>
</tr>
<tr>
<td>Homestead</td>
<td>$98,000</td>
</tr>
<tr>
<td>SGT Rate</td>
<td>20%</td>
</tr>
</tbody>
</table>

**STEP 1 Determine the value for the state tax**
- First $600,000 = 0%
- $600,001 to $2,300,000 = 0%
- Over $2,300,000 = 1.25%
- $2,598,000 - $98,000 = $2,500,000
- $2,500,000 - $2,300,000 = $200,000
  - Tier 3: $200,000

**STEP 2 Calculate the NTC for the state tax**
- $200,000 x 1.25% = $2,500

**STEP 3 Calculate the state general tax**
- $2,500 x 20% = $500
Problems - Calculating State Tax

It’s your turn to calculate some problems. Using the rates for taxes payable in 2018, determine the state net tax capacity and the state tax for the following properties. All values refer to taxable market values.

For the following examples, the state general property tax preliminary rates are 41.000% for commercial-industrial and 20.000% for seasonal residential recreational. When you are finished with the problem, you can check your answer with the solution on the following page.

**Problem #1:** Commercial/Industrial property valued at $179,000.

**Problem #2:** Cabin valued at $123,000.

**Problem #3:** Residential/Commercial/Commercial Seasonal Residential Recreational (Ma & Pa Resort) split class property valued at $2,965,000. The residential portion is valued at $135,000 and the commercial portion (restaurant) is valued at $130,000.
Solutions - Calculating State Tax

Problem #1: Commercial/Industrial property valued at $179,000.

1. Net Tax Capacity for the State Tax:
   
   $100,000 \times 0.00\% = $0
   
   $50,000 \times 1.50\% = $750
   
   $29,000 \times 2.00\% = $580
   
   Total net tax capacity for the state tax = $1,330

2. State tax = $1,330 \times 41.000\% = $545

Problem #2: Cabin valued at $123,000.

1. Net Tax Capacity for the State Tax:
   
   $76,000 \times 0.40\% = $304
   
   ($123,000 - $76,000) \times 1.00\% = $470
   
   Total net tax capacity for the state tax = $774

2. State Tax = $774 \times 20.000\% = $155

Problem #3: Residential/Commercial/Commercial Seasonal Residential Recreational (Ma & Pa Resort) split class property valued at $2,965,000. The residential portion is valued at $135,000 and the commercial portion (restaurant) is valued at $130,000.

1. Net Tax Capacity for the State Tax:
   
   C-I State Net Tax Capacity
   
   $100,000 \times 0.00\% = $0
   
   $30,000 \times 1.50\% = $450
   
   $0 + $450 = $450
   
   SRR State Net Tax Capacity = ($2,700,000 - $2,300,000) \times 1.25\% = $5,000

2. State Tax Calculation:
   
   C-I State Tax = $450 \times 41.000\% = $185
   
   SRR State Tax = $5,000 \times 20.000\% = $1,000
   
   Total State Tax = $1,185
Part III - Credits and Computing Net Taxes

By now you should be pretty comfortable with the three types of levies and how to calculate the gross taxes for each type of levy prior to credits. At this point you are pretty far down the path of being able to compute and explain the components of a property’s tax. Next, we will take a look at the most common credit.

You can find more information on credits in Chapter 5 of the Auditor/Treasurer Manual.

Agricultural Homestead Market Value Credit

The agricultural homestead market value credit is based on taxable market value and increases up to a certain taxable market value amount, where it then plateaus.

Property classified as class 2a agricultural homestead beyond the HGA is eligible for an agricultural credit. The base credit is equal to 0.3% of the first $115,000 of the property’s remaining taxable market value beyond the HGA. The credit increases by 0.1% of the taxable market value in excess of $115,000, subject to a maximum credit of $490. This means that the maximum credit of $490 is achieved for agricultural homesteads valued at $260,000 or more.
Example 1: Agricultural Homestead Market Value Credit

<table>
<thead>
<tr>
<th>Class</th>
<th>2a Agricultural Homestead</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMV</td>
<td>$304,000</td>
</tr>
<tr>
<td></td>
<td>HGA: $105,000</td>
</tr>
<tr>
<td></td>
<td>Remainder: $199,000</td>
</tr>
</tbody>
</table>

**STEP 1 Determine the value for credit base and increase**

- $199,000 - $115,000 = $84,000
- Base: $115,000
- Increase: $84,000

**STEP 2 Calculate the credit base and increase**

- Base: $115,000 x 0.30% = $345
- Increase: $84,000 x 0.10% = $84

**STEP 3 Calculate the total credit**

- $345 + $84 = $429
Net Tax

Calculating Net Tax
The net tax on a parcel can be determined as follows:

A. Estimated Market Value
   Less

B. Any applicable Deferments, Exclusions, Reductions
   Equals

C. MV Prior to Homestead MV Exclusion
   Less

D. Homestead Market Value Exclusion
   Equals

E. Taxable Market Value
   Times

F. Class Rate
   Equals

G. Net Tax Capacity
   Times

H. Net Tax Capacity Tax Rate
   Plus

I. The referendum market value tax
   Plus

J. The state tax
   Less

K. Any applicable credits
Part IV - Comprehensive Tax Calculations: Problems

Now that you know how to calculate each of the parts of the net tax computation, let’s put them all together. On the following pages are comprehensive problems that become increasingly complex, but if you solve each of the parts of the basic formula separately, and then put them all together, you’ll be done before you know it. The solution for each problem begins on the page after the problem.

Basic formula for calculating net tax:

\[(A) \text{ Local NTC Tax} + (B) \text{ Ref. MV Tax} + (C) \text{ State Tax} - (D) \text{ Credits} = (E) \text{ Net Tax}\]

If you do not understand any part of each problem, be sure to go back and review the section that introduced the concept.

Taxable Market Value – page 13

Net Capacity Tax – page 19

Referendum Market Value – page 26

State Tax – page 31

Credits – page 37
Problem 1: Residential Homestead

Calculate the net tax for a residential homestead (class 1a) parcel with an estimated market value of $249,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%
- The preliminary state tax rate for commercial-industrial is 41.000%
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 1: Residential Homestead

Calculate the net tax for a residential homestead (class 1a) parcel with an estimated market value of $249,000.

A. Taxable Market Value

   Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

   $249,000 - $0 = $249,000

   MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

   $76,000 x 40% = $30,400
   $249,000 - $76,000 = $173,000
   $173,000 x 9% = $15,570
   $30,400 - $15,570 = $14,830 (exclusion amount)
   $249,000 - $14,830 = $234,170 (TMV)

B. Net Tax Capacity Tax

   Net Tax Capacity = Taxable Market Value x Class Rate

   $234,170 x 1.00% = $2,342

   Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

   $2,342 x 76.942% = $1,802

C. Referendum Market Value Tax

   Referendum Market Value Tax = RMV x RMV Tax Rate

   Referendum Market Value = $249,000
   Referendum Market Value Tax = $249,000 x 0.05687% = $142

D. State Tax

   State Tax = State Net Tax Capacity x State Tax Rate

   State Net Tax Capacity = $0
   State Tax = $0

E. Credits

   No credits apply to this property.

F. Net Tax = B + C + D - E

   = $1,802 + $142 + $0 - $0 = $1,944
Problem 2: Agricultural Homestead

Calculate the net tax for a 160-acre farm (class 2a) parcel with an estimated market value of $279,000, where the house, garage, and first acre have a value of $120,000 and the remainder of the farm is valued at $159,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%
- The preliminary state tax rate for commercial-industrial is 41.000%
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 2: Agricultural Homestead

Calculate the net tax for a 160-acre farm (class 2a) parcel with an estimated market value of $279,000, where the house, garage, and first acre have a value of $120,000 and the remainder of the farm is valued at $159,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$279,000 - $0 = $279,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$76,000 x 40% = $30,400
$120,000 - $76,000 = $44,000
$44,000 x 9% = $3,960
$30,400 - $3,960 = $26,440 (exclusion amount)
$120,000 - $26,440 = $93,560 (HGA TMV)
$93,560 + $159,000 = $252,560 (TMV)

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

HGA: $93,560 x 1.00% = $936
Remainder of farm: $159,000 x 0.50% = $795
Total Net Tax Capacity = $936 + $795 = $1,731

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$1,731 x 76.942% = $1,332

C. Referendum Market Value

Referendum Market Value Tax = RMV x RMV Tax Rate

Referendum Market Value = $120,000
Referendum Market Value Tax = $120,000 x 0.05687% = $68

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity = $0
State Tax = $0

E. Credits

Agricultural Homestead Credit = Base Credit + Credit Increase
Base credit: $115,000 \times 0.3\% = $345
Credit increase: ($159,000 - $115,000) \times 0.1\% = $44
Final credit: $345 + $44 = $389

F. Net Tax = B + C + D - E

=$1,332 + $68 + $0 - $389 = $1,011
Problem 3: Commercial

Calculate the net tax for a commercial (class 3a) parcel with an estimated market value of $352,000.

Use the following tax rates:

- The local tax rate is 76.942%.
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%.
Solution 3: Commercial

Calculate the net tax for a commercial (class 3a) parcel with an estimated market value of $352,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$352,000 - $0 = $352,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$352,000 - $0 = $352,000

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

$150,000 x 1.50% = $2,250
$202,000 x 2.00% = $4,040
Total Net Tax Capacity = $6,290

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$6,290 x 76.942% = $4,840

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV x RMV Tax Rate

Referendum Market Value = $352,000
Referendum Market Value Tax = $352,000 x 0.05687% = $200

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity

$100,000 x 0.00% = $0
$50,000 x 1.50% = $750
$202,000 x 2.00% = $4,040
Total State Net Tax Capacity: $0 + $750 + $4,040 = $4,790
State Tax = $4,790 x 41.000% = $1,964

E. Credits

No credits apply to this property.

F. Net Tax = B + C + D - E

= $4,840 + $200 + $1,964 - $0 = $7,004
Problem 4: Residential Homestead Class 1b

Calculate the net tax for a residential homestead, class 1b, with an estimated market value of $200,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 4: Residential Homestead Class 1b

Calculate the net tax for a residential homestead, class 1b, with an estimated market value of $200,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$200,000 - $0 = $200,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$76,000 x 40% = $30,400
$200,000 - $76,000 = $124,000
$124,000 x 9% = $11,160
$30,400 - $11,160 = $19,240 (exclusion amount)
$200,000 - $19,240 = $180,760 (TMV)

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

$50,000 x 0.45% = 225
$130,760 x 1.00% = $1,308
Total Net Tax Capacity = $1,533
Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate
$1,533 x 76.942% = $1,180

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV x RMV Tax Rate

Referendum Market Value:
First $50,000 = $50,000 x 45% = $22,500
Remainder = $150,000 x 100% = $150,000
Total Referendum Market Value = $172,500

Referendum Market Value Tax = $172,500 x 0.05687% = $98

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity = $0
State Tax = $0

E. Credits

No credits apply to this property.
F. Net Tax = B + C + D - E

= $1,180 + $98 + $0 - $0 = $1,278
Problem 5: Residential Nonhomestead

Calculate the net tax for a single-family dwelling rented to unrelated parties, classified as 4bb. The estimated market value is $85,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 5: Residential Nonhomestead

Calculate the net tax for a single-family dwelling rented to unrelated parties, classified as 4bb. The estimated market value is $85,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$85,000 - $0 = $85,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$85,000 - $0 = $85,000

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

$85,000 x 1.00% = $850

Total Net Tax Capacity = $850

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$850 x 76.942% = $654

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV x RMV Tax Rate

Referendum Market Value = $85,000

Referendum Market Value Tax = $85,000 x 0.05687% = $48

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity = $0

State Tax = $0

E. Credits

No credits apply to this property.

F. Net Tax = B + C + D - E

= $654 + $48 + $0 - $0 = $702
Problem 6: Agricultural Nonhomestead

Calculate the net tax for a 100-acre farm parcel with an estimated market value of $190,000. The house and surrounding land have a value of $72,000. The remainder of the farm is valued at $118,000. The entire farm is rented out.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 6: Agricultural Nonhomestead

Calculate the net tax for a 100-acre farm parcel with an estimated market value of $190,000. The house and surrounding land have a value of $72,000. The remainder of the farm is valued at $118,000. The entire farm is rented out.

A. Taxable Market Value

\[
\text{Estimated Market Value} - \text{Reductions} = \text{Market Value Prior to Homestead MV Exclusion} \\
\$190,000 - \$0 = \$190,000 \\
\text{MV Prior to Homestead MV Exclusion} - \text{MV Homestead Exclusion} = \text{Taxable Market Value} \\
\$190,000 - \$0 = \$190,000
\]

B. Net Tax Capacity Tax

\[
\text{Net Tax Capacity} = \text{Taxable Market Value} \times \text{Class Rate} \\
\text{HGA:} \$72,000 \times 1.00\% = \$720 \\
\text{Remainder of farm:} \$118,000 \times 1.00\% = \$1,180 \\
\text{Total Net Tax Capacity} = \$720 + \$1,180 = \$1,900 \\
\text{Net Tax Capacity Tax} = \text{Net Tax Capacity} \times \text{Local Tax Rate} \\
\$1,900 \times 76.942\% = \$1,462
\]

C. Referendum Market Value Tax

The house is subject to RMV because it would be classified as 4bb property.

\[
\text{Referendum Market Value Tax} = \text{RMV} \times \text{RMV Tax Rate} \\
\text{Referendum Market Value} = \$72,000 \\
\text{Referendum Market Value Tax} = \$72,000 \times 0.05687\% = \$41
\]

D. State Tax

\[
\text{State Tax} = \text{State Net Tax Capacity} \times \text{State Tax Rate} \\
\text{State Net Tax Capacity} = \$0 \\
\text{State Tax} = \$0
\]

E. Credits

No credits apply to this property.

F. Net Tax = B + C + D - E
\[
= \$1,462 + \$41 + \$0 - \$0 = \$1,503
\]
Problem 7: Noncommercial Seasonal Residential Recreational (Cabin)

Calculate the net tax for a private cabin used seasonally with an estimated market value of $655,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 7: Noncommercial Seasonal Residential Recreational (Cabin)

Calculate the net tax for a private cabin used seasonally with an estimated market value of $655,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$655,000 - $0 = $655,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$655,000 - $0 = $655,000

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

$500,000 x 1.00% = $5,000

$155,000 x 1.25% = $1,938

Total Net Tax Capacity = $6,938

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$6,938 x 76.942% = $5,338

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV x RMV Tax Rate

Referendum Market Value = $0

Referendum Market Value Tax = $0

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity

$76,000 x 0.40% = $304

$424,000 x 1.00% = $4,240

$155,000 x 1.25% = $1,938

Total State Net Tax Capacity: $304 + $4,240 + $1,938 = $6,482

State Tax = $6,482 x 20.000% = $1,296

E. Credits

No credits apply to this property.

F. Net Tax = B + C + D - E

= $5,338 + $0 + $1,296 - $0 = $6,634
Problem 8: Residential Homestead Split Class

Calculate the net tax for a parcel containing a two-story building with an estimated market value of $175,000. The first floor consists of a general store with an EMV of $115,000. The second floor is the owner’s home, and it has an EMV of $60,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 8: Residential Homestead Split Class

Calculate the net tax for a parcel containing a two-story building with an estimated market value of $175,000. The first floor consists of a general store with an EMV of $115,000. The second floor is the owner’s home, and it has an EMV of $60,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$175,000 - $0 = $175,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$60,000 x 40% = $24,000 (exclusion amount)
$60,000 - $24,000 = $36,000 (Home TMV)
$115,000 + $36,000 = $151,000 (TMV)

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

$36,000 x 1.00% = $360
$115,000 x 1.50% = $1,725
Total Net Tax Capacity = $2,085

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$2,085 x 76.942% = $1,604

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV x RMV Tax Rate

Referendum Market Value = $175,000
Referendum Market Value Tax = $175,000 x 0.05687% = $100

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity

$100,000 x 0.00% = $0
$15,000 x 1.50% = $225
State Tax = $225 x 41.000% = $92

E. Credits

No credits apply to this property.
F. Net Tax = B + C + D - E

= $1,604 + $100 + $92 - $0 = $1,796
Problem 9: Commercial Seasonal Residential Recreational (Resort)

Calculate the net tax for a seven-acre commercial seasonal residential recreational (class 1c) parcel of property that has an estimated market value of $2,570,000. The value attributed to the owner’s home is $90,000 and is classified as 1a. There is a bar on the property that is open all year long. It is classified as 3a commercial and is valued at $80,000.

Use the following tax rates:

- The local tax rate is 76.942%
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%
Solution 9: Commercial Seasonal Residential Recreational (Resort)

Calculate the net tax for a seven-acre commercial seasonal residential recreational (class 1c) parcel of property that has an estimated market value of $2,570,000. The value attributed to the owner’s home is $90,000 and is classified as 1a. There is a bar on the property that is open all year long. It is classified as 3a commercial and is valued at $80,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$2,570,000 - $0 = $2,570,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$76,000 x 40% = $30,400
$90,000 - $76,000 = $14,000
$14,000 x 9% = $1,260
$30,400 - $1,260 = $29,140 (exclusion amount)
$90,000- $29,140 = $60,860 (Home TMV)
$60,860 + 2,400,000 +$80,000 = $2,540,860 (TMV)

B. Net Tax Capacity

Net Tax Capacity = Taxable Market Value x Class Rate

(Owner’s Home (Class 1a)) $60,860 x 1.00% = $609
(Commercial Seasonal Rec. – Class 1a – Class 3a) Total TMV = $2,400,000
$600,000 x 0.50% = $3,000
$1,700,000 x 1.00% = $17,000
$100,000 x 1.25% = $1,250
Total SRR NTC = $21,250
(Bar (Class 3a)) $ 80,000 x 1.50% = $1,200
Total Net Tax Capacity = $23,059

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$23,059 x 76.942% = $17,742

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV xX RMV Tax Rate

Referendum Market Value = $90,000 + $80,000 + ($600,000 x 50%) + $1,700,000 + $100,000 = $2,270,000

Referendum Market Value Tax = $2,270,000 x 0.05687% = $1,291
D. State Tax

State Tax = Apportioned State Net Tax Capacity x Applicable State Tax Rate

C-I State Net Tax Capacity = $80,000 x 0.00% = $0
SRR State Net Tax Capacity = ($2,400,000 - $2,300,000) x 1.25% = $1,250

C-I State Tax = $0 x 41.000% = $0
SRR State Tax = $1,250 x 20.000% = $250
Total State Tax = $0 + $250 = $250

E. Credits

No credits apply to this property.

F. Net Tax = B + C + D - E

= $17,742 + $1,291 + $250 - $0 = $19,283
Problem 10: Fractional Agricultural Homestead/Nonhomestead

Calculate the net tax for a 160-acre farm parcel that has an estimated market value of $279,000. The farm is equally owned by two unrelated people. One of the people is occupying the property as a homestead, but the other person does not live there. The house, garage, and first acre have a value of $120,000. The remainder of the farm is valued at $159,000.

Use the following tax rates:

- The local tax rate is 76.942%.
- The total referendum market value rate is 0.05687%.
- The preliminary state tax rate for commercial-industrial is 41.000%.
- The preliminary state tax rate for seasonal residential is 20.000%.
Solution 10: Fractional Agricultural Homestead/Nonhomestead

Calculate the net tax for a 160-acre farm parcel that has an estimated market value of $279,000. The farm is equally owned by two unrelated people. One of the people is occupying the property as a homestead, but the other person does not live there. The house, garage, and first acre have a value of $120,000. The remainder of the farm is valued at $159,000.

A. Taxable Market Value

Estimated Market Value – Reductions = Market Value Prior to Homestead MV Exclusion

$279,000 - $0 = $279,000

MV Prior to Homestead MV Exclusion – MV Homestead Exclusion = Taxable Market Value

$76,000 x 40% = $30,400
$120,000 - $76,000 = $44,000
$44,000 x 9% = $3,960
$30,400 - $3,960 = $26,440 (exclusion amount)
$26,440 x 50% = $13,220 (fractionalized ownership exclusion)
$120,000 - $13,220 = $106,780 (HGA TMV)
$106,780 + 159,000 = $265,780 (TMV)

Hint: When calculating net tax capacity for fractional properties, first multiply the owner-occupant’s fractional interest in the property by the TMV of each class of property. Then proceed with your calculations on each portion.

Homestead HGA: 50% x $106,780 = $53,390
Nonhomestead HGA: 50% x $106,780 = $53,390
Homestead remainder of farm: 50% x $159,000 = $79,500
Nonhomestead remainder of farm: 50% x $159,000 = $79,500

B. Net Tax Capacity Tax

Net Tax Capacity = Taxable Market Value x Class Rate

Homestead HGA: $53,390 x 1.00% = $534
Nonhomestead HGA: $53,390 x 1.00% = $534
Homestead remainder of farm: $79,500 x 0.50% = $398
Nonhomestead remainder of farm: $79,500 x 1.00% = $795
Total Net Tax Capacity = $534 + $534 + $398 + $795 = $2,261

Net Tax Capacity Tax = Net Tax Capacity x Local Tax Rate

$2,261 x 76.942% = $1,740

C. Referendum Market Value Tax

Referendum Market Value Tax = RMV x RMV Tax Rate
Referendum Market Value = $120,000
Referendum Market Value Tax = $120,000 x 0.05687% = $68

D. State Tax

State Tax = State Net Tax Capacity x State Tax Rate

State Net Tax Capacity = $0
State Tax = $0

E. Credits

Initial Agricultural Homestead Credit = Base Credit + Credit Increase

Base credit: $115,000 x 0.3% = $345
Credit reduction: ($159,000 - $115,000) x .1% = $44
Initial Credit: $345 + $44 = $389

Final Agricultural Homestead Credit = (Initial Credit) x (Homestead Percentage)

Final credit: $389 x 50% = $195

F. Net Tax = B + C + D - E

= $1,740 + $68 + $0 - $195 = $1,613
Appendix – Resources

Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Short For</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>C/I</td>
<td>Commercial/Industrial</td>
<td>8</td>
</tr>
<tr>
<td>DRA</td>
<td>Disparity Reduction Aid</td>
<td>11</td>
</tr>
<tr>
<td>EMV</td>
<td>Estimated Market Value</td>
<td>7</td>
</tr>
<tr>
<td>HGA</td>
<td>House, Garage, and One Acre</td>
<td>7</td>
</tr>
<tr>
<td>LNTC</td>
<td>Local Net Tax Capacity</td>
<td>8</td>
</tr>
<tr>
<td>NTC</td>
<td>Net Tax Capacity</td>
<td>8</td>
</tr>
<tr>
<td>RMV</td>
<td>Referendum Market Value</td>
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<tr>
<td>SNTC</td>
<td>State Net Tax Capacity</td>
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<tr>
<td>SRR</td>
<td>Seasonal Recreational Residential</td>
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<tr>
<td>TMV</td>
<td>Taxable Market Value</td>
<td>7</td>
</tr>
</tbody>
</table>

Agricultural Homestead Market Value Credit

For taxes payable in 2019, property classified as class 2a agricultural homestead (exclusive of HGA) is eligible for an agricultural credit. The base credit is equal to 0.3% of the first $115,000 of the property’s market value, plus any increase. The credit is increased by 0.1% of the market value in excess of $115,000, but it is subject to a maximum of $490.

This credit maximum of $490 is reached at $260,000 where the credit then plateaus.
## Class Rate Table for Taxes Payable in 2019

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
<th>Tiers</th>
<th>NTC</th>
<th>Subject to RMV Tax</th>
<th>Subject to State Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Residential Homestead</td>
<td>First $500,000</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>1b</td>
<td>Homestead of Persons who are Blind/Disabled [classified as 1a or 2a]</td>
<td>First $50,000</td>
<td>0.45%</td>
<td>Yes - 45%</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$50,000 - $500,000</td>
<td>1.00%</td>
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<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>1c</td>
<td>Ma &amp; Pa Resort</td>
<td>First $600,000</td>
<td>0.50%</td>
<td>Yes - 50%</td>
<td>No</td>
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<td></td>
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<td>$600,001 - $2,300,000</td>
<td>1.00%</td>
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<td>Over $2,300,000</td>
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<td>Yes</td>
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<tr>
<td>1d</td>
<td>Housing for Seasonal Workers</td>
<td>First $500,000</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
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<td>No</td>
</tr>
<tr>
<td>2a</td>
<td>Agricultural Homestead - House, Garage, 1 Acre (HGA)</td>
<td>First $500,000</td>
<td>1.00%</td>
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<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
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<tr>
<td>2a/2b</td>
<td>Agricultural Homestead - First Tier</td>
<td>First $1,900,000</td>
<td>0.50%</td>
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<td>No</td>
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<tr>
<td>2a/2b</td>
<td>Farm Entities Excess First Tier</td>
<td>Unused First $1,900,000</td>
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<tr>
<td>2b</td>
<td>Rural Vacant Land</td>
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<tr>
<td>2c</td>
<td>Managed Forest Land</td>
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<td>2d</td>
<td>Private Airport</td>
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<td>2e</td>
<td>Commercial Aggregate Deposit</td>
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<td>3a</td>
<td>Commercial/Industrial/Utility (not including utility machinery)</td>
<td>First $100,000</td>
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<td></td>
<td></td>
<td>$100,001 - $150,000</td>
<td>1.50%</td>
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<td>Yes</td>
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<tr>
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<td></td>
<td>Over $150,000</td>
<td>2.00%</td>
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<td>Yes</td>
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<tr>
<td></td>
<td>Electric Generation Public Utility Machinery</td>
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<td>Yes</td>
<td>No</td>
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<tr>
<td></td>
<td>All Other Public Utility Machinery</td>
<td>2.00%</td>
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<td>Yes</td>
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<tr>
<td></td>
<td>Transmission Line Right-of-Way</td>
<td>2.00%</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>4a</td>
<td>Residential Nonhomestead 4+ Units (Apartments)</td>
<td>1.25%</td>
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<td>No</td>
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<tr>
<td>4b(1)</td>
<td>Residential Nonhomestead 1-3 Units</td>
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<td>4b(2)</td>
<td>Unclassified Manufactured Homes</td>
<td>1.25%</td>
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<td>No</td>
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<tr>
<td>4b(3)</td>
<td>Agricultural Nonhomestead Residence (2-3 Units)</td>
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<tr>
<td>4b(4)</td>
<td>Unimproved Residential Land</td>
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<td>4b(1)</td>
<td>Residential Nonhomestead Single Unit</td>
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<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
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<tr>
<td>4b(2)</td>
<td>Agricultural Nonhomestead Single Unit (HGA)</td>
<td>First $500,000</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4b(3)</td>
<td>Condominium Storage Unit</td>
<td>First $500,000</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4c(1)</td>
<td>Seasonal Residential Recreational Commercial (resort)</td>
<td>First $500,000</td>
<td>1.00%</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4c(2)</td>
<td>Qualifying Golf Course</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(3)(i)</td>
<td>Nonprofit Community Service Org. (non-revenue)</td>
<td>1.50%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congressionally Chartered Veterans Organizations (non-revenue)</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4c(3)(ii)</td>
<td>Nonprofit Community Service Org. (donations)</td>
<td>1.50%</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congressionally Chartered Veterans Organizations (donations)</td>
<td>1.00%</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4c(4)</td>
<td>Post-Secondary Student Housing</td>
<td>1.00%</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(5)(i)</td>
<td>Manufactured Home Park</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(5)(ii)</td>
<td>Manufactured Home Park (&gt;50% owner-occupied)</td>
<td>0.75%</td>
<td>Yes - 75%</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(5)(ii)</td>
<td>Manufactured Home Park (50% or less owner-occupied)</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(6)</td>
<td>Metro Nonprofit Recreational Property</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(7)</td>
<td>Certain Noncommercial Aircraft Hangars and Land (leased land)</td>
<td>1.50%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(8)</td>
<td>Certain Noncommercial Aircraft Hangars and Land (private land)</td>
<td>1.50%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(9)</td>
<td>Bed &amp; Breakfast</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(10)</td>
<td>Seasonal Restaurant on a Lake</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4c(11)</td>
<td>Marina</td>
<td>First $500,000</td>
<td>1.00%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4c(12)</td>
<td>Seasonal Residential Recreational Noncommercial (cabin)</td>
<td>First $76,000</td>
<td>1.00%</td>
<td>No</td>
<td>Yes - 0.40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$76,001 - $500,000</td>
<td>1.00%</td>
<td>No</td>
<td>Yes - 1.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $500,000</td>
<td>1.25%</td>
<td>No</td>
<td>Yes - 1.25%</td>
</tr>
<tr>
<td>4d</td>
<td>Low-Income Rental Housing (Per Unit)</td>
<td>First $121,000</td>
<td>0.75%</td>
<td>Yes - 75%</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over $121,000</td>
<td>0.25%</td>
<td>Yes - 25%</td>
<td>No</td>
</tr>
<tr>
<td>5(1)</td>
<td>Unmined Iron Ore and Low-Grade Iron-Bearing Formations</td>
<td>2.00%</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>5(2)</td>
<td>All Other Property</td>
<td>2.00%</td>
<td>Yes</td>
<td>No</td>
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</tbody>
</table>