



---

**PRISM Reporting Examples 8.3**

Linking, Exception Rate Districts, Power Lines, Class 1b Property, and Tax Distribution

01/04/2021

---

## Contents

Linking by Record.....	4
Summary.....	4
Valuation/Taxation Linkage Table .....	4
Parcel Information Table.....	5
Property Information Table.....	5
Valuation and Taxation Trees.....	6
No Linking and Homestead Eligibilities .....	7
Simple Linking .....	10
Cross County Linking .....	12
Fractional Homestead on Base Parcel .....	16
Multi-Record and Multi-Ownership .....	20
Multi-Level Parcels and Commercial Eligibilities .....	27
Complex Combination.....	35
Exception Rate Districts .....	48
Summary.....	48
Exception Rate Type Codes .....	48
Valuation Tree – Exception Rate District Table .....	49
Taxation Tree – Exception Rate District Table .....	49
Taxing Authority Tree – Fund Data Table .....	51
Rural Service Districts .....	52
Area Annexation Districts (Containing Rate Phase-ins) .....	57
Property Tax Exception Rate Districts and Levies .....	61
Cross County .....	65
Non-Property Tax Exception Rate Districts and Service Charges .....	71
Power Line Reporting.....	74

Summary..... 74

Power Line Property Type and Subtype Codes..... 74

High-Voltage Transmission Line Parcels 200kV or More ..... 77

Parcels Eligible for the Power Line Credit..... 78

Power Line Parcels Taxed at the Local NTC Rate ..... 79

Power Line Parcels Taxed at the Countywide Average Rate..... 84

Power Lines with Multiple Utility Companies or Covering Multiple UTAs ..... 86

Parcels Qualifying for a Power Line Credit ..... 93

Class 1b - Reporting of Homesteads for Persons Who Are Blind or Have a Disability..... 96

    Class 1b - TMV Under \$50K with the Homestead MV Exclusion..... 97

    Class 1b - TMV Over \$50K with a Valuation Modifier ..... 100

    Class 1b - TMV Over \$50K Without a Valuation Modifier ..... 103

    Class 1b - TMV Over \$50K Across Multiple Parcels..... 106

    Class 1b - TMV Over \$50K with a Fractional Homestead ..... 109

    Class 1b – Linking Across Multiple Parcels When Total TMV Is 50K or Under ..... 112

    Class 1b – Fractional Homestead Without Homestead Market Value Credit ..... 115

Tax Distribution Reporting by Parcel..... 118

    Summary..... 118

    Local NTC and RMV Taxes with no Taxation Modifiers..... 120

    Local NTC Taxes with Taxation Modifiers ..... 122

    Local NTC, State NTC, and RMV Taxes with no Taxation Modifiers ..... 124

    Local NTC, State NTC, and RMV Taxes for a TIF District parcel with Taxation Modifiers ..... 126

# Linking by Record

## Summary

In this section we assume that the valuation and the linking records are both tracked at the parcel, property type, and taxpayer or owner level. PRISM captures either of these record storage situations, including any other variation of parcel, property type, and taxpayer or owner combination.

Refer to the most recent version of the PRISM File Layout when reading this document, as it gives a better visual representation of how the data appears.

The first part of this overview will cover the actual design and definitions of the tables shown on the logical file layout. The remaining sections provide examples of various situations. These examples reflect ownership entity information, taxable market value (TMV), net tax capacities (NTC), and tax information. Since these examples are given to show how ownership entity and parcel linking works, a full data submission is not given in the examples. To keep the length down, assume that conditional fields may not be reported because the information is not readily available. For these examples, all rates, tier limits, and credit calculations have been set as they were for taxes payable year 2015. Values in images are TMVs unless otherwise specified.

## Valuation/Taxation Linkage Table

Information about the valuation/taxation linkage (VTL) chain is gathered on the Linking tree. The first table on this tree is the VTL table. A VTL chain is reported when two or more parcels are linked together to gain class rate benefits due to changes in TMV tiers. It is not required to report a VTL chain for single parcels, even if there are multiple ownerships within the parcel. Do not link an Agricultural Homestead VTL chain to a 2a-Farming Entity VTL chain, because this is considered an ownership linkage rather than a parcel linkage.

All three of the following fields MUST be reported for each VTL chain:

### C000-01: VTL Chain ID

If parcels are chained together due to classification tier rate reductions or other reasons, that group of parcels should be assigned an identification number. The identification number is established by the county.

### C000-02: Cross County Chain Indicator

If the parcels are	Mark the indicator
Linked across county boundaries	Y
Located within a single county	N

### C000-03: Home County Chain Indicator

If the base parcel is	Mark the indicator
Located within the submitting county	Y
Not located within the submitting county	N

## Parcel Information Table

Only one required field is recorded in this table and must reflect a value at all times:

### *C100-01: Parcel ID*

The parcel ID is the unique number assigned by the county for the parcel and should be reported as it is recorded in the county database. This field should **not** match any other identifying number linked to the parcel (such as a social security number).

## Property Information Table

The Property Information table reflects information about each parcel involved in the VTL chain that is not tracked in the Valuation tree and Taxation tree. All four of the following fields must be reported for each VTL chain.

### *C110-01: Valuation/Taxation Linkage (VTL) Sequence*

This is the sequential order number that a VTL chain follows for tier linking. The base parcel should be identified with 1. The number should increase by one for each record in the order the chain is linked. While we prefer to continue tracking the order of the parcels in this chain past the tier limit, we understand that some counties stop reporting the sequence or report '99'. In this situation, the next record in the chain, and every record after that, carries the next sequential number instead. For example, if a tier limit were reached at record 7, all subsequent records would reflect 8.

### *C110-02: VTL TMV*

This field is the TMV, included in the VTL chain, of a parcel. This may or may not be the full TMV of the parcel depending on the taxpayer/ownership status.

### *C110-03: Property Type Code*

The property type code represents all property classifications (such as 2a Agricultural and 1a Residential) and programs (such as Residential Homestead and Farming Entities) that could identify specific categories for estimated market value (EMV) that will later have unique rates and/or tiers applied for calculating the TMV, NTC and referendum market value (RMV). This field is not reported at the linkage by parcel level.

### *C110-04: Property Subtype Code*

The property subtype code captures further real and personal property stratifications of the property type code. This field is not reported at the linkage by parcel level.

### *C110-05: Exemption Code*

The exemption code may be used in those situations where there is exempt property within the linkage sequence.

## Valuation and Taxation Trees

The Valuation and Taxation trees also reflect some linking information. This allows the parcels reported on those trees to be linked to a VTL chain. These fields are required at all times.

### *A140-01: Preferential Entity Type Code*

This field is populated when the base parcel contains property types that are associated with agricultural homestead, residential homestead, commercial property, or industrial property.

### *A140-02: Number of Preferential Entities*

This is the number of entities on the property receiving preferential rates. These counts will be one for commercial and industrial entities but may be less than one for fractional agricultural and residential homesteads.

### *B310-09: VTL Chain ID*

This is the same identification number reflected in C000-01 and is used to link the valuation/taxation linkage chain to a specific taxation modifier or credit for that chain (i.e., agricultural homesteads).

## No Linking and Homestead Eligibilities

### Example 1

(A) Jerry 1a-\$250,000
------------------------------

(B) Sue & Mary 1a-\$200,000
-----------------------------------

(C) Matt & John 1a-\$100,000 4bb-\$100,000 2b-\$185,000
---

- Jerry owns a 1/4 acre parcel he claims as a residential homestead.
- Sue and Mary are unrelated and own a 1/3 acre parcel they both claim as a residential homestead.
- Matt and John are unrelated and own a 30-acre parcel that John claims as a residential homestead and Matt as a residential non-homestead.
- All three parcels are located in the same unique taxing area in Aspen County that has a total local NTC rate of 102.377%. No RMV rates or special assessments exist on this parcel. The following rates are used to determine the fully taxable NTC by property type:
  - 1a Residential Homestead – first \$500,000 at 1.00%, over \$500,000 at 1.25%.
  - 2b Rural Vacant Non-Homestead – at 1.00%.
  - 4bb Residential Non-Homestead – first \$500,000 at 1.00%, over \$500,000 at 1.25%.

The county's submissions in the parcel Linking, Valuation, and Taxation trees would look like the following. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example.

### Aspen County Valuation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$75,000
    - Building TMV: \$175,000
    - Fully Taxable NTC: 2,500 (\$250,000 X .01)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$37,500

- Building TMV: \$62,500
  - Fully Taxable NTC: 1,000 ( $\$100,000 \times .01$ )
- Taxable Property Table (2)
  - Property Type: 1a Residential Homestead
  - Property Subtype: Real Property
  - Land TMV: \$37,500
  - Building TMV: \$62,500
  - Fully Taxable NTC: 1,000 ( $\$100,000 \times .01$ )
- Preferential Entities Table (1)
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 0.50
- Preferential Entities Table (2)
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 0.50
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$25,000
    - Building TMV: \$75,000
    - Fully Taxable NTC: 1,000 ( $\$100,000 \times .01$ )
  - Taxable Property Table (2)
    - Property Type: 4bb Residential Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$25,000
    - Building TMV: \$75,000
    - Fully Taxable NTC: 1,000 ( $\$100,000 \times .01$ )
  - Taxable Property Table (3)
    - Property Type: 2b Rural Vacant Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$92,500
    - Fully Taxable NTC: 925 ( $\$92,500 \times .01$ )
  - Taxable Property Table (4)
    - Property Type: 2b Rural Vacant Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$92,500
    - Fully Taxable NTC: 925 ( $\$92,500 \times .01$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 0.5



## *Aspen County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: \$2,559.43
  - Current Year Total Property Tax and Special Assessments: \$2,559.43
  - Gross local NTC Tax: \$2,559.43 (2,500 X 1.02377)
  - Net Local NTC Tax: \$2,559.43
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Qualifying Tax Amount: \$2,047.54
  - Current Year Total Property Tax and Special Assessments: \$2,047.54
  - Gross local NTC Tax: \$2,047.54 (2,000 X 1.02377)
  - Net Local NTC Tax: \$2,047.54
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Current Year Qualifying Tax Amount: \$1,023.77 (1,000 X 1.02377)
  - Current Year Total Property Tax and Special Assessments: \$3,941.51
  - Gross local NTC Tax: \$3,941.51 (3,850 X 1.02377)
  - Net Local NTC Tax: \$3,941.51

All three parcels have information reflected in the Valuation and Taxation trees. Because none of the parcels are linked to another parcel, the Linking tree reflects no information. The number of preferential rate entities is 1 for parcel A (Jerry's residential homestead), Mary's residential homestead is 0.5 and Sue's residential homestead is 0.5 for parcel B, and 0.5 for parcel C (Matt's residential homestead).

## Simple Linking

### Example 2

(A) Terri 1a-\$175,000	(B) Terri 1a-\$20,000
------------------------------	-----------------------------

- Terri owns a 1/4-acre parcel in the city that she claims as a residential homestead.
- She also owns the sliver parcel next to her as part of her residential homestead.
- Both parcels are located in the same UTA within Aspen County that has a total local NTC rate of 102.377%.
- No RMV rates or special assessments exist on this parcel.
- The following rates are used to determine the Fully Taxable NTC by property type:
  - 1a Residential Homestead – first \$500,000 at 1.00%, over \$500,000 at 1.25%.

The county's submissions in the Linking, Valuation, and Taxation trees would look like the following. Anything in parentheses would not physically appear on the submission and is used to ease the reading of this example.

### Aspen County Linking Tree

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 8937 (Terri)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: A
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$175,000
      - Property Type: 1a Residential Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: B
    - Property Information Table (1)
      - VTL Sequence: 2
      - VTL TMV: \$20,000
      - Property Type: 1a Residential Homestead
      - Property Subtype: Real Property

### *Aspen County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$25,000
    - Building TMV: \$150,000
    - Fully Taxable NTC: 1,750 (\$175,000 X .01)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$20,000
    - Fully Taxable NTC: 200 (\$20,000 X .01)

### *Aspen County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: \$1,791.60
  - Current Year Total Property Tax and Special Assessments: \$1,791.60
  - Gross local NTC Tax: \$1,791.60 (1,750 X 1.02377)
  - Net Local NTC Tax: \$1,791.60
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: \$204.75
  - Gross local NTC Tax: \$204.75 (200 X 1.02377)
  - Net Local NTC Tax: \$204.75

The two parcels are listed together on the Linking tree under the same VTL Chain ID with the first, or base parcel, reflecting a VTL sequence of 1 and the second parcel linked reflecting a VTL sequence of 2. Terri's residential homestead preferential entity is reflected on the base parcel (A) and the number of preferential rate entities is one.

## Cross County Linking

### Example 3

(A) Laurie HGA-\$150,000 2a-\$75,000	(B) Laurie 2a-\$100,000 2b-\$50,000	(C) Laurie 2a-\$165,000 2b-\$20,000
---	--	--

- Laurie owns three parcels that she claims as an agricultural homestead.
- Parcels A and B are located in Spruce County and Parcel C is located in Maple County.
- The parcels located in Spruce county share the same UTA and have a total local NTC rate of 87.233%.
- The parcel located in Maple County has a total NTC rate of 92.534%.
- No RMV rates or special assessments exist on this parcel.
- The following rates are used to determine the fully taxable NTC by property type:
  - 2a house, garage, and first acre (HGA) – first \$500,000 at 1.00%, over \$500,000 at 1.25%.
  - Agricultural Homestead – first \$1,900,000 at 0.50%, over \$1,900,000 at 1.00%.
    - Both 2a Agricultural and 2b Rural Vacant Homestead are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break.

The county's submissions in the linking, valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and just used to ease the reading of this example.

### Spruce County Linking Tree

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 332585 (Laurie)
  - Cross County Chain Indicator: Y
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: A
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$150,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
    - Property Information Table (1)
      - VTL Sequence: 2
      - VTL TMV: \$75,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (2)

- Parcel ID: B
- Property Information Table (1)
  - VTL Sequence: 3
  - VTL TMV: \$100,000
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
- Property Information Table (2)
  - VTL Sequence: 4
  - VTL TMV: \$50,000
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property

### *Spruce County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: \$25,000
    - Building TMV: \$125,000
    - Fully Taxable NTC: 1,500 (\$150,000 X .01)
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$55,000
    - Building TMV: \$20,000
    - Fully Taxable NTC: 375 (\$75,000 X .005)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Agricultural Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$100,000
    - Fully Taxable NTC: 500 (\$100,000 X .005)
  - Taxable Property Table (2)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: \$50,000

- Fully Taxable NTC: 250 (\$50,000 X .005)

### *Spruce County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: \$1,308.50
  - Current Year Total Property Tax and Special Assessments: \$1,145.62
  - Gross local NTC Tax: \$1,635.62 (1,875 X .87233)
  - Net Local NTC Tax: \$1,145.62 (1,635.62 – 490.00)
  - Taxation Modifier Table (1)
    - Modifier Type: Agricultural Homestead credit
    - NTC Modifier Amount: \$490.00
    - VTL Chain ID: 332585 (Laurie)
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: \$654.25
  - Gross local NTC Tax: \$654.25 (750 X .87233)
  - Net Local NTC Tax: \$654.25

### *Maple County Linking Tree*

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 4955 (Laurie)
  - Cross County Chain Indicator: Y
  - Home County Chain Indicator: N
  - Parcel Information Table (1)
    - Parcel ID: C
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$165,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: \$20,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property

### *Maple County Valuation Tree*

- Parcel Characteristics Table (1)

- Parcel ID: C
- Taxable Property Table (1)
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
  - Land TMV: \$165,000
  - Fully Taxable NTC: 825 (\$165,000 X .005)
- Taxable Property Table (2)
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: \$20,000
  - Fully Taxable NTC: 100 (\$20,000 X .005)

### *Maple County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Current Year Total Property Tax and Special Assessments: \$855.94
  - Gross local NTC Tax: \$855.94 (925 X .92534)
  - Net Local NTC Tax: \$855.94

The Linking tree in Spruce County reflects parcels A and B, but also indicates that this is a cross county relationship and that Spruce County is the home county. The Linking tree in Maple County reflects parcel C and indicates that this is a cross county relationship and that Maple County is not the home county. The Spruce County and Maple County VTL Chain IDs and VTL sequence are not connected to each other. Since parcels A, B, and C are shown as part of Laurie's agricultural homestead, the number of preferential rate entities is shown as one on base parcel A.

## Fractional Homestead on Base Parcel

### Example 4

The base parcel in this example contains a fractional homestead.

(A) Toby & Jill 4bb - \$250,000 HGA - \$250,000 2a - \$800,000	(B) Toby 2b - \$700,000	(C) Toby & Jill 2a - \$400,000
--	-------------------------------	--------------------------------------

- Toby and Jill are friends and co-own Parcel A, but only Toby lives there.
- Toby claims this property as his residential homestead.
- Toby also owns Parcel B, which is agricultural land.
- Toby and Jill also co-own Parcel C.
- Jill does not live in this county.
- All three parcels are located in Cliff County within the same unique taxing area (UTA) and have a total local NTC rate of 87.407%.
- No RMV rates or special assessments exist on these parcels.
- The following rates are used to determine the fully taxable NTC and state NTC by property type:
  - 2a HGA – first \$500,000 at 1.00%, over \$500,000 at 1.25%.
  - 4bb Residential Non-Homestead – first \$500,000 at 1.00%, over \$500,000 at 1.25%.
  - Agricultural Homestead – first \$2,050,000 at 0.50%, over \$2,050,000 at 1.00%.
    - Both 2a Agricultural and 2b Rural Vacant Homestead are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break.
  - Agricultural Non-homestead – at 1.00%.

The county’s submissions in the linking, valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and just used to ease the reading of this example.

### Cliff County Linking Tree

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 51168 (Toby)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: A
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$250,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property



- Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: \$400,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: B
    - Property Information Table (1)
      - VTL Sequence: 3
      - VTL TMV: \$700,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (3)
    - Parcel ID: C
    - Property Information Table (1)
      - VTL Sequence: 4
      - VTL TMV: \$200,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property

### *Cliff County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural HGA
    - Property Subtype: Real Property
    - Land TMV: \$100,000
    - Building TMV: \$150,000
    - Fully Taxable NTC: 2,500 ( $\$250,000 \times .01$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$400,000
    - Fully Taxable NTC: 2,000 ( $\$400,000 \times .005$ )
  - Taxable Property Table (3)
    - Property Type: 4bb Residential Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$100,000
    - Building TMV: \$150,000
    - Fully Taxable NTC: 2,500 ( $\$250,000 \times .01$ )
  - Taxable Property Table (4)

- Property Type: 2a Agricultural Non-Homestead
  - Property Subtype: Real Property
  - Land TMV: \$400,000
  - Fully Taxable NTC: 4,000 ( $\$400,000 \times .01$ )
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: \$700,000
    - Fully Taxable NTC: 3875 ( $\$625,000 \times .005 + \$75,000 \times .01$ )
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$200,000
    - Fully Taxable NTC: 2,000 ( $\$200,000 \times .01$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$200,000
    - Fully Taxable NTC: 2,000 ( $\$200,000 \times .01$ )

### *Cliff County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: \$2,185.18 ( $2,500 \times .87407$ )
  - Current Year Total Property Tax and Special Assessments: \$9,369.77
  - Gross local NTC Tax: \$9,614.77 ( $11,000 \times .87407$ )
  - Net Local NTC Tax: \$9,369.77
  - Taxation Modifiers Table (1)
    - Modifier Type: Agricultural Homestead credit
    - NTC Modifier Amount: \$245.00
    - VTL Chain ID: 51168 (Toby)
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: \$3,387.02
  - Gross local NTC Tax: \$3,387.02 ( $3,875 \times .87407$ )
  - Net Local NTC Tax: \$3,387.02
- Parcel Characteristics Table (3)
  - Parcel ID: C

- Current Year Total Property Tax and Special Assessments: \$3,496.28
- Gross local NTC Tax: \$3,496.28 (4,000 X .87407)
- Net Local NTC Tax: \$3,496.28

A VTL Chain ID was created because Toby owns at least a part of all three parcels, A, B, and C. For parcels he co-owns with Jill, only his portion of the TMV shows in the linkage chain. Because Toby has a fractionalized parcel as his base parcel, his agricultural homestead tier limit is fractionalized to \$1,025,000 and the maximum agricultural homestead credit he can receive is \$245. The 2a HGA and 4bb Residential Homestead tiers are also fractionalized but are not utilized as the total value of the residence does not exceed \$500,000.

## Multi-Record and Multi-Ownership

### Example 5

(A) Alex 4c(12)-\$550,000 2b-\$150,000	(D) Blueberry Resort 1a-\$400,000 1c-\$2,400,000	(E) Walleye Resort 1c-\$1,000,000	(F) Lakeside Resort 1a-\$300,000 1c-\$1,500,000
(B) Alex & Juno 2b-\$300,000	Blueberry Lake		
(C) Juno HGA-\$450,000 2a-\$350,000 2b-\$75,000			

- This example involves dual ownership of a parcel, but also an ownership entity that has interest in a parcel that is not owned directly, or held, by the entity.
- Alex owns and homesteads 40-acre parcel A as his cabin.
- Juno owns and maintains 40-acre parcel C as her residence that qualifies for agricultural homestead.
- Alex and Juno also co-own 40-acre parcel B that is located between the two parcels.
- The other three lots (D, E, and F) are all classified as Homestead Resorts (formerly known as “Ma & Pa” Resorts).
- Blueberry Resort is owned by a Limited Liability Company (LLC) with four members: Josh, Kelly, Michael, and Alice.
- Lakeside Resort and Walleye resorts are owned by separate LLC’s, but the LLCs share the same members: Michael and Alice.
- Josh lives on parcel D, Alice lives on parcel F, and parcel E is not homesteaded at all.
- All six parcels are located in Juniper County within the same unique taxing area (UTA) and have a total local NTC rate of 74.760% and a state NTC rate of 22.327% applied to seasonal recreational residential property.
- No RMV rates or special assessments exist on these six parcels. The following rates are used to determine the fully taxable NTC and state NTC by property type:
- - 1a Residential – first \$500,000 at 1.00%, over \$500,000 at 1.25%
  - 1c Homestead Resort
    - Fully Taxable NTC – first \$600,000 at 0.50%, up to \$2,300,000 at \$1.00%, over \$2,300,000 at 1.25%
    - State NTC – over 2,300,000 at 1.25%

- 2a HGA – first \$500,000 at 1.00%, over \$500,000 at 1.25%
- Agricultural Homestead – first \$1,900,000 at 0.50%, over \$1,900,000 at 1.00%
  - Both 2a Agricultural and 2b Rural Vacant Homestead fall are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break
- 2b Rural Vacant Non-homestead – at 1.00%
- 4c(12) Non-Commercial Seasonal Recreational Residential
  - Fully Taxable NTC – first \$500,000 at 1.00%, over \$500,000 at 1.25%
  - State NTC – first \$76,000 at 0.40%, up to \$500,000 at 1.00%, over \$500,000 at 1.25%

The county's submissions in the linking, valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and just used to ease the reading of this example.

### *Juniper County Parcel Linking Tree*

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 32845 (Juno)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: C
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$450,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: \$350,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - Property Information Table (3)
      - VTL Sequence: 3
      - VTL TMV: \$75,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: B
    - Property Information Table (1)
      - VTL Sequence: 4
      - VTL TMV: \$150,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property

- Valuation/Taxation Linkage Table (2)
  - VTL Chain ID: 15884 (Lakeside Resort)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: F
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$1,500,000
      - Property Type: 1c Homestead Resort
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: E
    - Property Information Table (1)
      - VTL Sequence: 2
      - VTL TMV: \$1,000,000
      - Property Type: 1c Homestead Resort
      - Property Subtype: Real Property

### *Juniper County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 4c (12) Non-Commercial Seasonal Recreational Residential
    - Property Subtype: Real Property
    - Land TMV: \$150,000
    - Building TMV: \$400,000
    - Fully Taxable NTC: 5,625 ( $\$500,000 \times .01 + \$50,000 \times .0125$ )
    - State NTC: 5,169 ( $\$76,000 \times .004 + \$424,000 \times .01 + \$50,000 \times .0125$ )
  - Taxable Property Table (2)
    - Property Type: 2b Rural Vacant Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$150,000
    - Fully Taxable NTC: 1,500 ( $\$150,000 \times .01$ )
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: \$150,000
    - Fully Taxable NTC: 750 ( $\$150,000 \times .005$ )

- Taxable Property Table (2)
  - Property Type: 2b Rural Vacant Non-Homestead
  - Property Subtype: Real Property
  - Land TMV: \$150,000
  - Fully Taxable NTC: 1,500 ( $\$150,000 \times .01$ )
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: \$150,000
    - Building TMV: \$300,000
    - Fully Taxable NTC: 4,500 ( $\$450,000 \times .01$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$300,000
    - Building TMV: \$50,000
    - Fully Taxable NTC: 1,750 ( $\$350,000 \times .005$ )
  - Taxable Property Table (3)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: \$75,000
    - Fully Taxable NTC: 375 ( $\$75,000 \times .005$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Agricultural Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (4)
  - Parcel ID: D
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$120,000
    - Building TMV: \$280,000
    - Fully Taxable NTC: 4,000 ( $\$400,000 \times .01$ )
  - Taxable Property Table (2)
    - Property Type: 1c Homestead Resort
    - Property Subtype: Real Property
    - Land TMV: \$500,000
    - Building TMV: \$1,900,000
    - Fully Taxable NTC: 21,000 ( $\$600,000 \times .005 + \$1,800,000 \times .01$ )
  - Preferential Entities Table (1)

- Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (5)
  - Parcel ID: E
  - Taxable Property Table (1)
    - Property Type: 1c Homestead Resort
    - Property Subtype: Real Property
    - Land TMV: \$250,000
    - Building TMV: \$750,000
    - Fully Taxable NTC: 10,750 ( $\$700,000 \times .01 + \$300,000 \times .0125$ )
    - State NTC: 3,750 ( $\$300,000 \times .0125$ )
- Parcel Characteristics Table (6)
  - Parcel ID: F
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$75,000
    - Building TMV: \$225,000
    - Fully Taxable NTC: 3,000 ( $\$300,000 \times .01$ )
  - Taxable Property Table (2)
    - Property Type: 1c Homestead Resort
    - Property Subtype: Real Property
    - Land TMV: \$400,000
    - Building TMV: \$1,100,000
    - Fully Taxable NTC: 12,000 ( $\$600,000 \times .005 + \$900,000 \times .01$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

### *Juniper County Taxation tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Total Property Tax and Special Assessments: \$6,480.73
  - Gross local NTC Tax: \$5,326.65 ( $7,125 \times .74760$ )
  - Net Local NTC Tax: \$5,326.65
  - State NTC Tax: \$1,154.08 ( $5,169 \times .22327$ )
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: \$1,682.10
  - Gross local NTC Tax: \$1,682.10 ( $2,250 \times .74760$ )
  - Net Local NTC Tax: \$1,682.10
- Parcel Characteristics Table (3)



- Parcel ID: C
- Current Year Qualifying Tax Amount: \$3,364.20 (4,500 X . 74760)
- Current Year Total Property Tax and Special Assessments: \$4,462.85
- Gross local NTC Tax: \$4,952.85 (6,625 X . 74760)
- Net Local NTC Tax: \$4,462.85 (\$4,952.85 – 490.00)
- Taxation Modifier Table (1)
  - Modifier Type: Agricultural Homestead credit
  - NTC Modifier Amount: \$490.00
  - VTL Chain ID: 32845 (Juno)
- Parcel Characteristics Table (4)
  - Parcel ID: D
  - Current Year Qualifying Tax Amount: \$2,990.40 (4,000 X . 74760)
  - Current Year Total Property Tax and Special Assessments: \$18,690.00
  - Gross local NTC Tax: \$18,690.00 (25,000 X . 74760)
  - Net Local NTC Tax: \$18,690.00
- Parcel Characteristics Table (5)
  - Parcel ID: E
  - Current Year Total Property Tax and Special Assessments: \$8,873.96
  - Gross local NTC Tax: \$8,036.70 (10,750 X . 74760)
  - Net Local NTC Tax: \$8,036.70
  - State NTC Tax: \$837.26 (3,750 X .22327)
- Parcel Characteristics Table (6)
  - Parcel ID: F
  - Current Year Qualifying Tax Amount: \$2,242.80 (3,000 X . 74760)
  - Current Year Total Property Tax and Special Assessments: \$11,214.00
  - Gross local NTC Tax: \$11,214.00 (15,000 X .74760)
  - Net Local NTC Tax: \$11,214.00

Alex has no reason to link parcels A & B, so a VTL Chain ID was not created. Juno benefits from linking parcels C and B under an agricultural homestead. Since parcel B is co-owned with Alex, only half of the TMV is shown in the linkage chain. Parcel A also has an agricultural homestead preferential entity count of one.

For parcels D, E, and F, the situation is unique. Parcel D is the base parcel for Blueberry Resort while Parcel F is the base parcel for Lakeside Resort. Normally, since parcel E does not have a homestead on it, it would be classified as a 4c (1) commercial resort. The parcels can be linked under the 1c Homestead Resort tier from Lakeside Resort since:

- Walleye resort’s LLC members are exactly the same as Lakeside resort’s LLC’s members
- The parcels are owned by a qualifying ownership entity type (LLC)
- The parcels are considered contiguous
- Lakeside resort is homesteaded by one of the members (Alice)

Walleye resort could not be linked in the same manner to Blueberry resort because the LLCs do not have the same members in common. Both parcels D and F reflect a residential homestead preferential entity count of one.

## Multi-Level Parcels and Commercial Eligibilities

### Example 6

(F) Kevin & Angie 3a \$250,000	(J) Kevin & Angie 3a \$300,000	Oak Avenue	(H) Flower Mfg. 3a \$400,000	(I) Flower Mfg. 3a \$350,000
Main Street				
(A) Main Street Condos 1a-\$150,000 4a-\$150,000			(G) Sunny Days Co-op 1a-\$150,000 4a-\$50,000	

(B) Robert 4a-\$200,000	(C) John & Kelly 1a-\$187,510
(D) Kevin & Angie 1a-\$187,510	(E) Sammy 4a-\$200,000

(G) Sunny Days Co-op 1a-\$126,260	(G) Sunny Days Co-op 4a-\$150,000
(G) Sunny Days Co-op 1a-\$126,260	(G) Sunny Days Co-op 1a-\$126,260

- Let us consider an example that could exist within a city where there is a mixture of residential and commercial property types with multiple parcels sharing the same land area due to building upwards. Consider the ten parcels that are located in the City of Mariana.
- Parcel A is owned by Main Street Condominiums that manages four identical units (Parcels B, C, D, and E) in the building and the common areas. Two of the parcels are owner occupied while the other two are rented.
- Parcel G, owned by Sunny Days Cooperative, manages four identical units in the building, as well as the common areas. Three of the parcels are member occupied and one is rented.
- For both the condominium and the cooperative, the class rate applied to the common areas is weighted depending on the EMVs (EMVs) of the units.
- Because the Main Street Condominium units are all valued at \$200,000, and the Sunny Days Cooperative units are all valued at \$150,000, the division of the common areas is split into equal quarters.

- Parcels F and J are owned by Kevin and Angie. Each parcel contains a business; one is a restaurant (\$300,000) and the other is an auto supply store (\$250,000).
- Parcels H and I are both owned by Flower Manufacturing where they produce and sell high-end ceramics.
- All ten parcels are located in Conifer County within the same unique taxing area (UTA) and have a total local NTC rate of 91.300% and a state NTC rate of 52.523% applied to commercial and industrial property. No RMV rates or special assessments exist on these six parcels.
- The following rates are used to determine the fully taxable NTC and state NTC by property type:
  - 1a Residential – first \$500,000 at 1.00%, over \$500,000 at 1.25%.
  - 3a Commercial.
    - Fully Taxable NTC – first \$150,000 at 1.50%, over \$150,000 at 2.00%.
    - State NTC – first \$150,000 at 1.50%, over \$150,000 at 2.00%.
  - 4a Apartment/Residential Non-Homestead – 1.25%.

The county’s submissions in the parcel Linking, Valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and are only used here to ease the reading of this example.

#### *Conifer County Linking Tree*

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 422150 (Flower Manufacturing)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: H
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$400,000
      - Property Type: 3a Commercial
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: I
    - Property Information Table (1)
      - VTL Sequence: 2
      - VTL TMV: \$350,000
      - Property Type: 3a Commercial
      - Property Subtype: Real Property

#### *Conifer County Valuation Tree*

- Parcel Characteristics Table (1)

- Parcel ID: A
- Taxable Property Table (1)
  - Property Type: 1a Residential Homestead
  - Property Subtype: Real Property
  - Land TMV: \$80,000
  - Building TMV: \$70,000
  - Fully Taxable NTC: 1,500 (\$150,000 X .01)
- Taxable Property Table (2)
  - Property Type: 4a Apartment
  - Property Subtype: Real Property
  - Land TMV: \$80,000
  - Building TMV: \$70,000
  - Fully Taxable NTC: 1,875 (\$150,000 X .0125)
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
    - Building TMV: \$200,000
    - Fully Taxable NTC: 2,500 (\$200,000 X .0125)
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Building TMV: \$187,510
    - Fully Taxable NTC: 1,875 (\$187,510 X .01)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (4)
  - Parcel ID: D
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Building TMV: \$187,510
    - Fully Taxable NTC: 1,875 (\$187,510 X .01)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (5)
  - Parcel ID: E

- Taxable Property Table (1)
  - Property Type: 4a Apartment
  - Property Subtype: Real Property
  - Building TMV: \$200,000
  - Fully Taxable NTC: 2,500 ( $\$200,000 \times .0125$ )
- Parcel Characteristics Table (6)
  - Parcel ID: F
  - Taxable Property Table (1)
    - Property Type: 3a Commercial
    - Property Subtype: Real Property
    - Land TMV: \$75,000
    - Building TMV: \$175,000
    - Fully Taxable NTC: 4,250 ( $\$150,000 \times .015 + \$100,000 \times .02$ )
    - State NTC: 4,250 ( $\$150,000 \times .0150 + \$100,000 \times .0200$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Commercial Entity
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (7)
  - Parcel ID: G
  - Taxable Property Table (1)
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
    - Land TMV: \$10,000
    - Building TMV: \$40,000
    - Fully Taxable NTC: 625 ( $\$50,000 \times .0125$ )
  - Taxable Property Table (2)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$10,000
    - Building TMV: \$40,000
    - Fully Taxable NTC: 625 ( $\$50,000 \times .0125$ )
  - Taxable Property Table (3)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$10,000
    - Building TMV: \$40,000
    - Fully Taxable NTC: 625 ( $\$50,000 \times .0125$ )
  - Taxable Property Table (4)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$10,000
    - Building TMV: \$40,000

- Fully Taxable NTC: 625 ( $\$50,000 \times .0125$ )
  - Taxable Property Table (5)
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
    - Land TMV: \$40,000
    - Building TMV: \$110,000
    - Fully Taxable NTC: 1,875 ( $\$150,000 \times .0125$ )
  - Taxable Property Table (6)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$33,669
    - Building TMV: \$92,591
    - Fully Taxable NTC: 1,266 ( $\$125,000 \times .01 + \$1,260 \times .0125$ )
  - Taxable Property Table (7)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$33,669
    - Building TMV: \$92,591
    - Fully Taxable NTC: 1,266 ( $\$125,000 \times .01 + \$1,260 \times .0125$ )
  - Taxable Property Table (8)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$33,669
    - Building TMV: \$92,591
    - Fully Taxable NTC: 1,266 ( $\$125,000 \times .01 + \$1,260 \times .0125$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 0.25
  - Preferential Entities Table (2)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 0.25
  - Preferential Entities Table (3)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 0.25
- Parcel Characteristics Table (8)
  - Parcel ID: H
  - Taxable Property Table (1)
    - Property Type: 3a Commercial
    - Property Subtype: Real Property
    - Land TMV: \$100,000
    - Building TMV: \$300,000
    - Fully Taxable NTC: 7,250 ( $\$150,000 \times .015 + \$250,000 \times .02$ )

- State NTC: 7,250 ( $\$150,000 \times .015 + \$250,000 \times .02$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Commercial Entity
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (9)
  - Parcel ID: I
  - Taxable Property Table (1)
    - Property Type: 3a Commercial
    - Property Subtype: Real Property
    - Land TMV: \$100,000
    - Building TMV: \$250,000
    - Fully Taxable NTC: 7,000 ( $\$350,000 \times .02$ )
    - State NTC: 7,000 ( $\$350,000 \times .02$ )
- Parcel Characteristics Table (10)
  - Parcel ID: J
  - Taxable Property Table (1)
    - Property Type: 3a Commercial
    - Land TMV: \$75,000
    - Building TMV: \$225,000
    - Fully Taxable NTC: 5,250 ( $\$150,000 \times .015 + \$150,000 \times .02$ )
    - State NTC: 5,250 ( $\$150,000 \times .0150 + \$150,000 \times .0200$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Commercial Entity
    - Number of Preferential Rate Entities: 1

### *Conifer County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: \$1,369.50 ( $1,500 \times .91300$ )
  - Current Year Total Property Tax and Special Assessments: \$3,081.38
  - Gross local NTC Tax: \$3,081.38 ( $3,375 \times .91300$ )
  - Net Local NTC Tax: \$3,081.38
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: \$2,282.50
  - Gross local NTC Tax: \$2,282.50 ( $2,500 \times .91300$ )
  - Net Local NTC Tax: \$2,282.50
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Current Year Qualifying Tax Amount: \$1,711.88



- Current Year Total Property Tax and Special Assessments: \$1,711.88
- Gross local NTC Tax: \$1,711.88 (1,875 X .91300)
- Net Local NTC Tax: \$1,711.88
- Parcel Characteristics Table (4)
  - Parcel ID: D
  - Current Year Qualifying Tax Amount: \$1,711.88
  - Current Year Total Property Tax and Special Assessments: \$1,711.88
  - Gross local NTC Tax: \$1,711.88 (1,875 X .91300)
  - Net Local NTC Tax: \$1,711.88
- Parcel Characteristics Table (5)
  - Parcel ID: E
  - Current Year Total Property Tax and Special Assessments: \$2,282.50
  - Gross local NTC Tax: \$2,282.50 (2,500 X .91300)
  - Net Local NTC Tax: \$2,282.50
- Parcel Characteristics Table (6)
  - Parcel ID: F
  - Current Year Total Property Tax and Special Assessments: \$6,112.48
  - Gross local NTC Tax: \$3,880.25 (4,250 X .91300)
  - Net Local NTC Tax: \$3,880.25
  - State NTC Tax: \$2,232.23 (4,250 X .52523)
- Parcel Characteristics Table (7)
  - Parcel ID: G
  - Current Year Qualifying Tax Amount: \$5,179.45 (5,673 X .91300)
  - Current Year Total Property Tax and Special Assessments: \$7,461.95
  - Gross local NTC Tax: \$7,461.95 (8,173 X .91300)
  - Net Local NTC Tax: \$7,461.95
- Parcel Characteristics Table (8)
  - Parcel ID: H
  - Current Year Total Property Tax and Special Assessments: \$10,427.17
  - Gross local NTC Tax: \$6,619.25 (7,250 X .91300)
  - Net Local NTC Tax: \$6,619.25
  - State NTC Tax: \$3,807.92 (7,250 X .52523)
- Parcel Characteristics Table (9)
  - Parcel ID: I
  - Current Year Total Property Tax and Special Assessments: \$10,067.61
  - Gross local NTC Tax: \$6,391.00 (7,000 X .91300)
  - Net Local NTC Tax: \$6,391.00
  - State NTC Tax: \$3,676.61(7,000 X .52523)
- Parcel Characteristics Table (10)
  - Parcel ID: J
  - Current Year Total Property Tax and Special Assessments: \$7,550.71
  - Gross local NTC Tax: \$4,793.25 (5,250 X .91300)

- Net Local NTC Tax: \$4,793.25
- State NTC Tax: \$2,757.46 (5,250 X .52523)

While there are individual records shown for both the condominium and the cooperative, and the common areas are apportioned in the same manner, the actual reporting of the records in terms of the Valuation and Taxation trees are very different. The condominium has owners while the cooperative has members. This results in the condominium having five owners (the 2 owner occupied units, the 2 rental units, and the common areas owned by the association) while the cooperative is solely owned by the association. This results in Parcels C and D reflecting one residential homestead entity each, and parcel G reflecting a fractional three-fourths residential homestead entity. Parcel A does not reflect a homestead entity as it is an extension of the homestead entities for parcels C and D, even though they are not linked.

None of the parcels, in the condominium or the cooperative, reflected any information in the Linking tree. On the other hand, the commercial property is linked for Flower Manufacturing because they share a single commercial entity across both parcels. Even though parcels F and J share the same ownership, the two businesses are completely separate and thus receive their own commercial entity.

## Complex Combination

### Example 7

(A) Sue HGA-\$150,000 2a-\$25,000 2b- \$125,000	(D) Sue & Bob 2a-\$600,000 2b-\$150,000	(G) SBGM Trust 1a-\$350,000 2a-\$1,600,000	
(B) Bob HGA-\$200,000 2a-\$100,000	(E) Sue & Mary 2a-\$600,000	(F) Sue & Mary 2a-\$550,000 2b-\$50,000	(H) Quinn HGA-\$175,000 2a-\$75,000 2b-\$200,000
(C) Mary HGA-\$225,000 2a-\$200,000 3a-\$175,000	(I) Sunnyside Farming LLC 2a-\$2,000,000		(J) Sunnyside Farming LLC 2a-\$2,000,000 2b-\$520,000

- The following example shows how complex situations involving many ownership entities, parcels, records, and property types can be linked. Consider the ten parcels owned by six ownership entities: Mary, Sue, Bob, Quinn, the SBGM Trust, and the Sunnyside Farming LLC.
- The SBGM trust was created by four siblings (Sue, Bob, Gary, and Mary) whose parents live at the property where they claim a residential homestead.
- The Sunnyside Farming LLC was created by all four siblings, as well as their friend Quinn, and is based in Spruce County.
- Each of the parcels reflects the different property types and the taxable market values (TMV).
- Mary, Sue, Bob, and Quinn each have a homestead that they farm, and Mary has a commercial repair shop business on her base parcel.
- Gary lives in his own residential homestead three counties away and does not own any other property. He does have interest in both the SBGM Trust and the SBGM Farming LLC.
- Eight of the ten parcels involved (A, B, D, E, F, G, H, J) are located in Spruce County within the same unique taxing area (UTA) that has a total local NTC rate of 87.233%.
- The remaining two parcels (C, I) are located in in Maple County within the same UTA that has a total NTC Rate of 92.534% and a state NTC rate of 52.523%.
- No RMV rates or special assessments exist on these eight parcels.

The VTL sequence follows the order of the parcels to reach any tiers and will always start with 1 regardless of whether there are any additional parcels involved. Once the tier limit for the property type has been reached, additional valuation chain orders are still reported. The following rates are used to determine the fully taxable NTC and state NTC by property type:

- 2a HGA – first \$500,000 at 1.00%, over \$500,000 at 1.25%
- Agricultural Homestead – first \$1,900,000 at 0.50%, over \$1,900,000 at 1.00%
  - Both 2a Agricultural and 2b Rural Vacant Homestead are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break
- Agricultural Non-homestead – at 1.00% for both 2a Agricultural and 2b Rural Vacant land
- Farming Entity – Unused Agricultural Homestead applied at .50%, Remaining at 1.00%
  - As much unused agricultural homestead provided by members can be applied, but when it runs out then the remainder must have the higher tax rate
  - The unused agricultural homestead is applied to both 2a Farming Entity and 2b Farming Entity property types under this tier and are taken as a single unit until all unused agricultural homestead is applied
- 3a Commercial
  - Fully Taxable NTC – first \$150,000 at 1.50%, over \$150,000 at 2.00%
  - State NTC – first \$150,000 at 1.50%, over \$150,000 at 2.00%

Their submissions in the ownership, valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and just used to ease the reading of this example.

### *Spruce County Linking Tree*

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 24889 (Sue)
  - Cross County Chain Indicator: N
  - Base County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: A
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$150,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: \$25,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - Property Information Table (3)
      - VTL Sequence: 3
      - VTL TMV: \$125,000
      - Property Type: 2a Rural Vacant Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: D

- Property Information Table (1)
      - VTL Sequence: 4
      - VTL TMV: \$300,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 5
      - VTL TMV: \$75,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (3)
    - Parcel ID: E
    - Property Information Table (1)
      - VTL Sequence: 6
      - VTL TMV: \$300,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (4)
    - Parcel ID: F
    - Property Information Table (1)
      - VTL Sequence: 7
      - VTL TMV: \$275,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 8
      - VTL TMV: \$25,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (5)
    - Parcel ID: G
    - Property Information Table (1)
      - VTL Sequence: 9
      - VTL TMV: \$400,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
- Valuation/Taxation Linkage Table (2)
  - VTL Chain ID: 66723 (Bob)
  - Cross County Chain Indicator: N
  - Base County Chain Indicator: Y
  - Parcel Information Table (1)

- Parcel ID: B
  - Property Information Table (1)
    - VTL Sequence: 1
    - VTL TMV: \$200,000
    - Property Type: 2a Agricultural HGA
    - Property Subtype: Real Property
  - Property Information Table (2)
    - VTL Sequence: 2
    - VTL TMV: \$100,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- Parcel Information Table (2)
  - Parcel ID: D
  - Property Information Table (1)
    - VTL Sequence: 3
    - VTL TMV: \$300,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
  - Property Information Table (2)
    - VTL Sequence: 4
    - VTL TMV: \$75,000
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
- Parcel Information Table (3)
  - Parcel ID: G
  - Property Information Table (1)
    - VTL Sequence: 5
    - VTL TMV: \$400,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- Valuation/Taxation Linkage Table (3)
  - VTL Chain ID: 44573 (Mary)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: N
  - Parcel Information Table (1)
    - Parcel ID: E
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$300,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property

- Parcel Information Table (2)
  - Parcel ID: F
  - Property Information Table (1)
    - VTL Sequence: 2
    - VTL TMV: \$275,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
  - Property Information Table (2)
    - VTL Sequence: 3
    - VTL TMV: \$25,000
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
- Parcel Information Table (3)
  - Parcel ID: G
  - Property Information Table (1)
    - VTL Sequence: 4
    - VTL TMV: \$400,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- Valuation/Taxation Linkage Table (4)
  - VTL Chain ID: 77389 (Sunnyside Farming LLC)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: J
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$2,000,000
      - Property Type: 2a Farming Entity
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: \$520,000
      - Property Type: 2b Farming Entity
      - Property Subtype: Real Property

### *Spruce County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 2a HGA

- Property Subtype: Real Property
  - Land TMV: \$25,000
  - Building TMV: \$125,000
  - Fully Taxable NTC: 1,500 ( $\$150,000 \times .01$ )
  - Taxable Property Table (2)
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
  - Land TMV: \$25,000
  - Fully Taxable NTC: 125 ( $\$25,000 \times .005$ )
- Taxable Property Table (3)
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: \$125,000
  - Fully Taxable NTC: 625 ( $\$125,000 \times .005$ )
- Preferential Entities Table (1)
  - Preferential Entity Type Code: Agricultural Homestead
  - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: \$50,000
    - Building TMV: \$150,000
    - Fully Taxable NTC: 2,000 ( $\$200,000 \times .001$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$100,000
    - Fully Taxable NTC: 500 ( $\$100,000 \times .005$ )
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Agricultural Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (3)
  - Parcel ID: D
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$300,000
    - Fully Taxable NTC: 1,500 ( $\$300,000 \times .005$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead



- Property Subtype: Real Property
  - Land TMV: \$300,000
  - Fully Taxable NTC: 1,500 ( $\$300,000 \times .005$ )
- Taxable Property Table (3)
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: \$75,000
  - Fully Taxable NTC: 375 ( $\$75,000 \times .005$ )
- Taxable Property Table (4)
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: \$75,000
  - Fully Taxable NTC: 375 ( $\$75,000 \times .005$ )
- Parcel Characteristics Table (4)
  - Parcel ID: E
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$300,000
    - Fully Taxable NTC: 1,500 ( $\$300,000 \times .005$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$300,000
    - Fully Taxable NTC: 1,500 ( $\$300,000 \times .005$ )
- Parcel Characteristics Table (5)
  - Parcel ID: F
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$225,000
    - Fully Taxable NTC: 1,375 ( $\$225,000 \times .005$ )
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$225,000
    - Fully Taxable NTC: 1,375 ( $\$225,000 \times .005$ )
  - Taxable Property Table (3)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: \$25,000
    - Fully Taxable NTC: 125 ( $\$25,000 \times .005$ )

- Taxable Property Table (4)
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: \$25,000
  - Fully Taxable NTC: 125 (\$25,000 X .005)
- Parcel Characteristics Table (6)
  - Parcel ID: G
  - Taxable Property Table (1)
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: \$125,000
    - Building TMV: \$225,000
    - Fully Taxable NTC: 3,500 (\$350,000 X .01)
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$400,000
    - Fully Taxable NTC: 2,000 (\$400,000 X .005)
  - Taxable Property Table (3)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$400,000
    - Fully Taxable NTC: 2,000 (\$400,000 X .005)
  - Taxable Property Table (4)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: \$400,000
    - Fully Taxable NTC: 2,000 (\$400,000 X .005)
  - Taxable Property Table (5)
    - Property Type: 2a Agricultural Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: \$400,000
    - Fully Taxable NTC: 4,000 (\$400,000 X .01)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (7)
  - Parcel ID: H
  - Taxable Property Table (1)
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: \$50,000

- Building TMV: \$125,000
  - Fully Taxable NTC: 1,750 ( $\$175,000 \times .01$ )
- Taxable Property Table (2)
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
  - Land TMV: \$75,000
  - Fully Taxable NTC: 375 ( $\$75,000 \times .005$ )
- Taxable Property Table (3)
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: \$200,000
  - Fully Taxable NTC: 1,000 ( $\$200,000 \times .005$ )
- Preferential Entities Table (1)
  - Preferential Entity Type Code: Agricultural Homestead
  - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (8)
  - Parcel ID: J
  - Taxable Property Table (1)
    - Property Type: 2a Farming Entity
    - Property Subtype: Real Property
    - Land TMV: \$2,000,000
    - Fully Taxable NTC: 10,000 ( $\$2,000,000 \times .005$ )
  - Taxable Property Table (2)
    - Property Type: 2b Farming Entity
    - Property Subtype: Real Property
    - Land TMV: \$520,000
    - Fully Taxable NTC: 2,600 ( $\$520,000 \times .005$ )

### *Spruce County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: \$1,308.50 ( $1,500 \times .87233$ )
  - Current Year Total Property Tax and Special Assessments: \$1,472.74
  - Gross local NTC Tax: \$1,962.74 ( $2,250 \times .87233$ )
  - Net Local NTC Tax: \$1,472.74 ( $\$1,962.74 - \$490.00$ )
  - Taxation Modifiers Table (1)
    - Modifier Type: Agricultural Homestead credit
    - NTC Modifier Amount: \$490.00
    - VTL Chain ID: 24889 (Sue)
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Qualifying Tax Amount: \$1,744.66 ( $2,000 \times .87233$ )

- Current Year Total Property Tax and Special Assessments: \$1,690.83
- Gross local NTC Tax: \$2,180.83 (2,500 X .87233)
- Net Local NTC Tax: \$1,690.83 (\$2,180.83 - \$490.00)
- Taxation Modifiers Table (1)
  - Modifier Type: Agricultural Homestead credit
  - NTC Modifier Amount: \$490.00
  - VTL Chain ID: 66723 (Bob)
- Parcel Characteristics Table (3)
  - Parcel ID: D
  - Current Year Total Property Tax and Special Assessments: \$3,271.24
  - Gross local NTC Tax: \$3,271.24 (3,750 X .87233)
  - Net Local NTC Tax: \$3,271.24
- Parcel Characteristics Table (4)
  - Parcel ID: E
  - Current Year Total Property Tax and Special Assessments: \$2,616.99
  - Gross local NTC Tax: \$2,616.99 (3,000 X .87233)
  - Net Local NTC Tax: \$2,616.99
- Parcel Characteristics Table (5)
  - Parcel ID: F
  - Current Year Total Property Tax and Special Assessments: \$2,616.99
  - Gross local NTC Tax: \$2,616.99 (3,000 X .87233)
  - Net Local NTC Tax: \$2,616.99
- Parcel Characteristics Table (6)
  - Parcel ID: G
  - Current Year Qualifying Tax Amount: \$3,053.16 (3,500 X .87233)
  - Current Year Total Property Tax and Special Assessments: \$11,776.46
  - Gross local NTC Tax: \$11,776.46 (13,500 X .87233)
  - Net Local NTC Tax: \$11,776.46
- Parcel Characteristics Table (7)
  - Parcel ID: H
  - Current Year Qualifying Tax Amount: \$1,526.58 (1,750 X .87233)
  - Current Year Total Property Tax and Special Assessments: \$2,236.03
  - Gross local NTC Tax: \$2,726.03 (3,125 X .87233)
  - Net Local NTC Tax: \$2,236.03 (\$2,726.03 - \$490.00)
  - Taxation Modifier Table (1)
    - Modifier Type: Agricultural Homestead credit
    - NTC Modifier Amount: \$490.00
    - VTL Chain ID: 05563 (Quinn)
- Parcel Characteristics Table (8)
  - Parcel ID: J
  - Current Year Total Property Tax and Special Assessments: \$10,991.36
  - Gross local NTC Tax: \$10,991.36 (12,600 X .87233)

- Net Local NTC Tax: \$10,991.36

### *Maple County Linking Tree*

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 3451124 (Mary)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: C
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$225,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: \$200,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
- Valuation/Taxation Linkage Table (2)
  - VTL Chain ID: 9874333 (Sunnyside Farming LLC)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: N
  - Parcel Information Table (1)
    - Parcel ID: I
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: \$2,000,000
      - Property Type: 2a Farming Entity
      - Property Subtype: Real Property

### *Maple County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: \$50,000
    - Building TMV: \$175,000
    - Fully Taxable NTC: 2,250 (\$225,000 X .01)
  - Taxable Property Table (2)

- Property Type: 2a Agricultural Homestead
- Property Subtype: Real Property
- Land TMV: \$100,000
- Building TMV: \$100,000
- Fully Taxable NTC: 1,000 ( $\$200,000 \times .005$ )
- Taxable Property Table (3)
  - Property Type: 3a Commercial
  - Property Subtype: Real Property
  - Land TMV: \$50,000
  - Building TMV: \$125,000
  - State NTC: 2,750 ( $\$150,000 \times .015 + \$25,000 \times .02$ )
  - Fully Taxable NTC: 2,750 ( $\$150,000 \times .015 + \$25,000 \times .02$ )
- Preferential Entities Table (1)
  - Preferential Entity Type Code: Agricultural Homestead
  - Number of Preferential Rate Entities: 1
- Preferential Entities Table (2)
  - Preferential Entity Type Code: Commercial Entity
  - Number of Preferential Rate Entities: 1
- Parcel Characteristics Table (2)
  - Parcel ID: I
  - Taxable Property Table (1)
    - Property Type: 2a Farming Entity
    - Property Subtype: Real Property
    - Land TMV: \$2,000,000
    - Fully Taxable NTC: 13,975 ( $\$1,205,000 \times .005 + \$795,000 \times .01$ )

### *Maple County Taxation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Current Year Qualifying Tax Amount: \$2,077.97 ( $2,250 \times .92354$ )
  - Current Year Total Property Tax and Special Assessments: \$6,495.62
  - Gross local NTC Tax: \$5,541.24 ( $6,000 \times .92354$ )
  - Net Local NTC Tax: \$5,051.24 ( $\$5,541.24 - \$490.00$ )
  - State NTC Tax: \$1,444.38 ( $2,750 \times .52523$ )
  - Taxation Modifier Table (1)
    - Modifier Type: Agricultural Homestead credit
    - NTC Modifier Amount: \$490.00
    - VTL Chain ID: 3451124 (Mary)
- Parcel Characteristics Table (2)
  - Parcel ID: I
  - Current Year Total Property Tax and Special Assessments: \$12,906.47
  - Gross local NTC Tax: \$12,906.47 ( $13,975 \times .92354$ )

- Net Local NTC Tax: \$12,906.47

Many linkages follow the same path as earlier examples. Parcels A, B, C, and H each reflect an agricultural homestead preferential entity count of one. Parcel C reflects two preferential entity tables to account for the commercial entity, as well. Even though parcel G is owned by a trust, it reflects a single residential homestead to account for the parents of the trust holders who homestead the parcel. Sue, Bob, Mary, and Quinn have \$3,725,000 of unused agricultural homestead tier that is applied to the properties owned by Sunnyside Farming LLC. Parcel J is completely covered by this unused agricultural homestead, but parcel I only has \$1,205,000 covered.

## Exception Rate Districts

### Summary

This section explains how to report exception rate district information for PRISM. An exception rate district exists when a taxing authority (county, city, township, school district, or special taxing district) decides to tax their constituents at different levels resulting in one or more smaller geographic areas within the taxing district having a different rate than the remainder of the district. These areas may provide services at a higher level than are provided throughout the entire taxing district or provide services that are not provided to the entire taxing district. If the taxing district crosses county boundaries, it is only considered an exception rate district if within any of the counties the taxing authority decides to tax their constituents at different levels (see Cross County example). Not all taxing authorities qualify for every type of exception rate. For example, a city cannot qualify for a subordinate service district, while a county or township does qualify. A city can qualify for a rural service district when a county or township cannot.

This overview does not explain the individual exception rate programs in detail. If you need detailed explanations of each program, refer to the Auditor/Treasurer Manual or the specific statute for that exception rate district. These instructions demonstrate how to **report** the data generated by the creation or maintenance of an exception rate district.

The next four parts cover the actual design and definitions of the tables shown on the logical file layout. The remaining sections provide an explanation and example of the three different categories of exception rate districts. The examples will only reflect exception rate information, taxable market value (TMV), net tax capacities (NTC), and tax information. These examples are given to show how exception rate districts work, so they do not depict a full data submission.

### Exception Rate Type Codes

There are 11 specific and one general, or “other”, exception rate types reported in the Exception Rate Type Code field (A300-01, B200-01, and D100-10). These exception rates are further explained in Minnesota Statute. If you need further information about an exception rate, either contact us at [proptax.questions@state.mn.us](mailto:proptax.questions@state.mn.us) or review the statutes shown below.

Code	Exception Rate Type
01	Rural Service District (M.S. 272.67): City
02	Area Annexation with Phase-in of Rates (M.S. 272.67): City
03	Subordinate Service Districts (M.S. 365A and M.S. 375B): County or Township <sup>1</sup>
04	Consolidations with Outstanding Debt: Primarily School Districts
05	Fire Protection District (M.S. 368.85): Township
06	Ambulance Service District (M.S. 471.476): Township
07	Storm Sewer Improvement District (M.S. 441.16 to M.S. 441.21): City or Township
08	Lake Improvement District (M.S. 103B.501 to M.S. 103B.581): County
09	Special Service District (M.S. 428A.01 to M.S. 428A.101): City
10	Housing Improvement District (M.S. 428A.11 to M.S. 428A.21): City
11	Main Service District: City <sup>2</sup>
99	Other Exception Rate District



<sup>1</sup> Counties within the Twin Cities Metropolitan Area, as well as St. Louis County, are not authorized to establish a subordinate service district.

<sup>2</sup> The Main Service District will only be used by those cities that are reflecting Rural Service Districts (01) or Area Annexation with Phase-in of Rates (02) in order to reflect the non-Rural Service or non-Area Annexation portion of the city.

The exception rate districts can be broken into two separate categories: property tax exception rate districts and non-property tax exception rate districts. Non-property tax exception rate districts allow fees or service charges that do not represent property tax levies, even though it may be based on NTC. Only special service districts and housing improvement districts fall under this category. Property tax exception rate districts do not allow fees or service charges. For more information regarding special service districts, refer to the Auditor/Treasurer Manual.

## Valuation Tree – Exception Rate District Table

The Exception Rate District table on the Valuation tree is used to capture the geographical area in which an exception rate district is located. Report the information on this table in all second, third and fourth file submissions if there is an exception rate within the boundaries of the unique taxing area (UTA).

All four of the following fields **must** be reported for each exception rate district:

### *A300-01: Exception Rate Type Code*

The state assigned code identifies the type of exception rate. The exception rate type should best describe the reason why one or more geographical areas have a different tax rate than elsewhere within that taxing district.

### *A300-02: Exception Rate ID*

The identification number assigned to the exception rate district by the taxing authority, so it can be uniquely identified throughout the submission and over time. It should only change for valid reasons (i.e., the exception rate district changed in a significant manner).

### *A300-03: Taxing Authority Type*

This field reflects the taxing authority of which the exception rate is a geographical subset. These are county, city, township, school district, and special taxing district.

### *A300-04: Special Taxing District Code*

This field reflects the state assigned special taxing district code if the exception rate is extended by a special taxing district.

## Taxation Tree – Exception Rate District Table

The Exception Rate District table on the Taxation tree is used to capture the geographical area in which an exception rate district is located, and all taxation information about the district within the unique taxing area.

Report the information on this table in submissions three and four, if there is an exception rate within the boundaries of the UTA.

All four of the following fields **must** be reported for each exception rate district. The remaining five fields are conditional depending on the type of exception rate district:

*B200-01: Exception Rate Type Code*

The state assigned code identifies the type of exception rate. The exception rate type should best describe the reason why one or more geographical areas have a different tax rate than elsewhere within that taxing district.

*B200-02: Exception Rate ID*

The identification number assigned to the exception rate district by the taxing authority, so it can be uniquely identified throughout the submission and over time. It should only change for valid reasons (i.e., the exception rate district changed in a significant manner).

*B200-03: Taxing Authority Type Code*

This field reflects the taxing authority of which the exception rate is a geographical subset. These are county, city, township, school district, and special taxing district.

*B200-04: Special Taxing District Code*

This field reflects the state assigned special taxing district code if the exception rate is extended by a special taxing district.

*B200-05: Benefit Ratio*

For a rural service district or an area annexation district with a phase-in of rates, this field captures the benefit ratio showing the reduction percentage applied to the district variables used in calculating the levy.

*B200-06: Number of Phase-in Years*

For an area annexation district with a phase-in of rates, this field is used to capture the total number of years for the phase-in. This field is currently deferrable if it is not already captured by your systems.

*B200-07: Current Year of Phase-in*

For an area annexation district with a phase-in of rates, this field is used to capture the current year of the phase-in. This field is currently deferrable if it is not already captured by your systems

*B200-08: Main Area Original Rate*

For an area annexation district with a phase-in of rates, this field is used to capture the original local tax rate of the taxing authority annexing (part of) another jurisdiction at the time of the annexation.

#### *B200-09: Annexed Area Original Rate*

For an area annexation district with a phase-in of rates, this field is used to capture the original local tax rate of the taxing authority that was annexed at the time of the annexation.

### **Taxing Authority Tree – Fund Data Table**

The exception rate district information reflected on a Taxing Authority tree is used to capture levy information about the district at the overall taxing authority level on the third file submission (if an exception rate district exists within the taxing authority district).

When a levy is collected for the exception rate district, or a levy is distributed between multiple exception rate districts, these three fields are required.

#### *D100-10: Exception Rate Type Code*

The state assigned code identifies the type of exception rate. The exception rate type should best describe the reason why one or more geographical areas have a different tax rate than elsewhere within that taxing district.

#### *D100-11: Exception Rate ID*

The identification number assigned to the exception rate district by the taxing authority, so it can be uniquely identified throughout the submission and over time. It should only change for valid reasons (i.e., the exception rate district changed in a significant manner).

#### *D100-12: Exception Rate Description*

A complete explanation for why the exception rate was created. For example, if a city needs to levy for a library district, then the explanation could be public library district levy.

## Rural Service Districts

Rural service districts (or Rural/Main service districts) create separate taxing districts in the city for the purpose of property taxes, except for those levied for bonds, and judgments and interest. The statute allows rural service districts to include only unplatted lands that are judged to be rural in character and not developed for commercial, industrial or urban use. Some counties have large administrative plats covering all rural areas of the county. In this case, the administratively platted lands could be included if, (as in the case with class 2b determinations) these parcels do not benefit from municipal services to the same degree as other developed parcels which constitute the “main” service district. Active rural-main service districts will cause city tax rates to vary within the city. Lesser benefits, within a rural service district, result in lower tax rates for taxpayers within its boundaries. When property is developed, it must be transferred to the main service district.

The governing body of the city establishes a benefit ratio for the rural service district. This is the city’s estimate of the ratio that exists between the levels of tax supported city services in the rural service district to the level of tax supported city services in the main service district. This benefit ratio should be reviewed annually by the governing body of the city.

The recommended method for determining tax rates for main and rural service districts is to

1. Multiply the NTC of the rural service district by the benefit ratio for the purpose of determining city tax rates for non-bonded debt purposes
2. Multiply the benefit ratio by the main service district tax rate for non-bonded debt purposes to determine the city tax rate for non-bonded debt purposes within the rural service district
3. Multiply this reduced city tax rate by the full NTC of property within the rural service district

For bonded debt, the tax rates in both the rural and main districts should be equal. The benefit ratio should not be used for bonded debt, unless special legislation has been passed.

The cut-off date for recognition and determination of a benefit ratio in the current levy year is August 1. It is noted that if a city is in a fiscal disparity area, then an adjusted levy needs to be determined by subtracting the fiscal disparity distribution tax.

### *Example 8*

Consider an example with the City of Aspen that has decided to separate the city into a main and rural service district. The city has the following characteristics once all calculations are performed:

Certified levy of \$2,000,000

- \$1,600,000 General Levy
- \$400,000 of General Obligation Bonded Debt Levy

NTC tax base of 12,000,000

- 8,000,000 in the main service district
- 4,000,000 in the rural service district

Benefit ratio of .25000 or 25.000% for the rural service district

NTC used to determine non-bonded debt levy rate of 9,000,000

- 8,000,000 in the main service district (8,000,000 X 100%)
- 1,000,000 in the rural service district (4,000,000 X 25%)

Non-bonded debt levy initial rate of:

- 0.17778 or 17.778% in the main service district (1,600,000/9,000,000)
- 0.04444 or 4.444% in the rural service district (0.17778 X 25%)

Bonded debt levy initial rate of 0.03334 (400,000/12,000,000)

Total local tax rate of:

- 0.21112 or 21.112% in the main service district (0.03334 + 0.17778)
- 0.07778 or 7.778% in the rural service district (0.03334 + 0.04444)

For simplicity, the City of Aspen has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, and if the main/rural service district did not exist, the city would be located within a single unique taxing area (i.e., no changes in county, school, or special taxing district rates). Also, assume the only other levy that is collected by the city is through the General Other Liability fund, and the spread levy is equal to the certified levy.

The county's submissions in the parcel Linking, Valuation, and Taxation trees would look like the following, note that anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. There are two options listed for reporting data in the Taxing Authority tree.

### *Spruce County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 35
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the main area the City
  - Unique Taxing Area Table (2)
    - County Code: 97 (Spruce County)
    - City/Township Code: 0100 (City of Aspen)
    - School District Code: 4560
    - Unique Taxing Area ID: 01
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 01 (Rural Service District)
    - Exception Rate ID: 36
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)

- Parcel ID: All parcels within the Rural Service District of the City

### *Spruce County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Total Local City/Township NTC Rate: 0.21112
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 35
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the main area of the City
- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - School District Code: 4560
  - Unique Taxing Area ID: 01
  - Total Local City/Township NTC Rate: 0.07778
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 01 (Rural Service District)
    - Exception Rate ID: 36
    - Taxing Authority Type Code: City
    - Benefit Ratio: 0.25000
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the Rural Service District of the City

### *Spruce County Taxing Authority Tree: Option One*

- Taxing Authority Table (1)
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - Taxing Authority Name: Aspen
  - Fund Data Table (1)
    - Fund Type Code: B2 (General Other Liability)
    - Levy Base Type: NTC
    - Taxing NTC or referendum market value (RMV): 9,000,000 (City of Aspen)
    - Fund Amount: \$1,600,000 (City of Aspen)
    - Initial NTC Rate: .17778 (Main Service District)

- Exception Rate Type Code: 11 (Main Service District)
- Exception Rate ID: 35
- Fund Data Table (2)
  - Fund Type Code: B3 (General Obligation Bond Debt)
  - Levy Base Type: NTC
  - Taxing NTC or RMV: 12,000,000
  - Fund Amount: \$400,000
  - Initial NTC Rate: .03334

There are two exception rate districts created and identified as the Main Service District (exception rate type code – 11) and Rural Service District (exception rate type code – 01) within the Valuation and Taxation trees. The Taxing Authority tree only reflects the ‘Main’ exception rate area or the City of Aspen as a whole. The full fund amount of \$1,600,000 and the full levy base of \$9,000,000 for the City of Aspen is reported, but the initial tax rate reported is for the Main Service district only. The rural service district information collected in the Taxation tree will be used to break out the initial rate, fund amount and tax base information for each area as needed. The General Obligation Bond Debt could be split into the two service areas if necessary, but it is not required. A description may be entered in for each area if desired but is not required as the Exception Rate Type Code of Rural/Main is adequate explanation. Further details regarding the Rural Service Districts can be found in the Auditor/Treasurer Manual.

*Spruce County Taxing Authority Tree: Option Two*

- Taxing Authority Table (1)
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - Taxing Authority Name: Aspen
  - Fund Data Table (1)
    - Fund Type Code: B2 (General Other Liability)
    - Levy Base Type: NTC
    - Taxing NTC or RMV: 8,000,000
    - Fund Amount: \$1,422,240
    - Initial NTC Rate: .17778
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 35
  - Fund Data Table (2)
    - Fund Type Code: B2 (General Other Liability)
    - Levy Base Type: NTC
    - Taxing NTC or RMV: 4,000,000
    - Fund Amount: \$177,760
    - Initial NTC Rate: .04444
    - Exception Rate Type Code: 01 (Rural Service District)
    - Exception Rate ID: 36
  - Fund Data Table (3)

- Fund Type Code: B3 (General Obligation Bond Debt)
- Levy Base Type: NTC
- Taxing NTC or RMV: 12,000,000
- Fund Amount: \$400,000
- Initial NTC Rate: .03334

There are two exception rate districts created and identified as the Main Service District (exception rate type code – 11) and Rural Service District (exception rate type code – 01). The \$1,600,000 in General Other Liability is split proportionally between the exception rate areas, with each district reporting the base NTC and initial rate, but the \$400,000 in General Obligation Bond Debt is applied equally across the entire city. The General Obligation Bond Debt could be split into the two service areas if necessary, but it is not required. A description may be entered in for each area if desired but is not required as the Exception Rate Type Code of Rural/Main is adequate explanation. Further details regarding the Rural Service Districts can be found in the Auditor/Treasurer Manual.



## Area Annexation Districts (Containing Rate Phase-ins)

When a city or township decides to annex part of another city or township with a lower initial tax rate, then an option exists where the original city can phase in the rates for the annexed area over a course of several years. August 1 is the cut-off date for recognition of annexations for the following payable year. For example, annexations occurring after August 1, 2014 would not be recognized for property tax purposes until the payable 2016 year.

The recommended method for determining tax rates is to

1. Annually recognize an increasing percentage of the NTC of the annexed area for the purpose of determining city tax rate
2. Multiply this percentage by the original city tax rate to determine the city tax rate for the annexed area
3. Multiply this reduced city tax rate by the full NTC of property within the annexed area.

If a city were within the Twin Cities Metropolitan Area or Iron Range Fiscal Disparity Area, then an adjusted levy would need to be determined by subtracting the fiscal disparity distribution tax.

### *Example 9*

Consider the City of Elm that has decided to annex a portion of Maple Township, which has a lower local tax rate than the city. The city has decided to phase-in the area's rates over a three-year period. The city has the following characteristics once all calculations are performed for the first year period:

- First Year of Three-Year Phase-in
- Original Tax Rates Before Annexation
  - Original city is .20000 or 20.000%
  - Annexed area is .14000 or 14.000%
- Total Certified Levy After Annexation is \$2,000,000
- NTC After Annexation is 10,500,000
  - Original city is 10,000,000
  - Annexed area is 500,000
- Rate Difference is .06000 or 6.000% (.20000 - .14000)
- New Annexed Area Rate is .16000 or 16.000% (.06000 X (1/3) + .14000)
- Annexed Area Benefit Ratio is .80000 or 80.000% (.16000 / .20000)
- Tax Extension to each area
  - Annexed area is \$64,000 (\$500,000 X .80000 X .16000)
  - Original city is \$1,936,000 (\$2,000,000 - \$64,000)
- Current Local Tax Rates
  - Annexed area is .16000 or 16.000% (64,000/(500,000 X .80)).
  - Original city is .19360 or 19.360% (\$1,936,000 / 10,000,000)

For simplicity, the City of Elm has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, and if the annexation district did not exist, the city would be located within a single unique taxing area (i.e., no changes in county, school, or special taxing district rates). Also, assume the only other levy collected by the city is through the General Other Liability fund, and the spread levy is equal to the certified levy.

The county's submissions in the parcel Linking, Valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. There are two options listed for reporting data in the Taxing Authority tree.

### *Spruce County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 52
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the Main (Original) City area
- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 01
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 02 (Area Annexation with Phase-in of Rates)
    - Exception Rate ID: 53
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the Annexed area of the City

### *Spruce County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Total Local City/Township NTC Rate: 0.19360
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 52
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the Main (Original) City area

- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 01
  - Total Local City/Township NTC Rate: 0.1600
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 02 (Area Annexation with Phase-in of Rates)
    - Exception Rate ID: 53
    - Taxing Authority Type Code: City
    - Benefit Ratio: .80000
    - Number of Phase-in Years: 3
    - Current Year of Phase-in: 1
    - Main Area Original Rate: .20000
    - Annexed Area Original Rate: .14000
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the Annexed area of the City

*Spruce County Taxing Authority Tree: Option One*

- Taxing Authority Table (1)
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - Taxing Authority Name: Elm
  - Fund Data Table (1)
    - Fund Type Code: B2 (General Other Liability)
    - Levy Base Type: NTC
    - Taxable NTC or RMV: 10,500,000 (City of Elm)
    - Fund Amount: \$2,000,000 (City of Elm)
    - Initial NTC Rate: .19360 (Main Service District)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 52

There are now two exception rate areas that are identified as the Main Service District and Area Annexation with Phase-in of Rates within the Valuation and Taxation trees. The Taxing Authority tree only reflects the 'Main' exception rate area. The full fund amount of \$2,000,000 and the full levy base of 10,500,000 for the City of Elm is reported, but the initial tax rate reported is for the Main Service district only. The area annexation with phase-in of rate information collected in the Taxation tree will be used to break out the initial rate, fund amount and tax base information for each area as needed. A description may be entered in for each area if desired, but is not required as the Exception Rate Type Code of Main/Annexation is adequate explanation. Further details regarding the Annexation with Phase-in of Rates can be found in the Auditor/Treasurer Manual.

### *Spruce County Taxing Authority tree: Option Two*

- Taxing Authority Table (1)
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - Taxing Authority Name: Elm
  - Fund Data Table (1)
    - Fund Type Code: B2 (General Other Liability)
    - Levy Base Type: NTC
    - Taxable NTC or RMV: 10,000,000
    - Fund Amount: \$1,936,000
    - Initial NTC Rate: .19360
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 52
  - Fund Data Table (2)
    - Fund Type Code: B2 (General Other Liability)
    - Levy Base Type: NTC
    - Taxable NTC or RMV: 500,000
    - Fund Amount: \$64,000
    - Initial NTC Rate: .19360
    - Exception Rate Type Code: 02 (Area Annexation with Phase-in of Rates)
    - Exception Rate ID: 53

As you can see from this example, there are now two exception rate areas that are identified as the Main Service District and Area Annexation with Phase-in of Rates. The \$2,000,000 in General Other Liability is split between the two service areas in the proportions each area will collect, and the rates are calculated on that service area's base NTC. A description may be entered in for each area if desired but is not required as the Exception Rate Type Code of Main/Annexation is adequate explanation. Further details regarding the Annexation with Phase-in of Rates can be found in the Auditor/Treasurer Manual.

## Property Tax Exception Rate Districts and Levies

Property tax exception rate districts are those that allow a county, city, township, or school district to levy additional funds to provide services that are not provided to the entire taxing district. Most of the remaining exception rate districts fall under this category, other than the non-property tax exception rate districts.

There is a slight difference between the information submitted for a property tax exception rate district and a non-property tax exception rate district. A non-property tax exception rate district will not have a taxable NTC/RMV or a total initial NTC/RMV tax rate reflected in the Taxing Authority tree. Instead of a levy, the amount collected is generated from revenues collected from service charges. The service charges collected should be reflected in the levy amount field, and the tax base should reflect NTC.

### *Example 10*

Consider Lorken County, which is comprised of two cities (Oak and Birch) and two townships (Pine and Conifer). The county has set up a lake improvement district that covers the geographical boundaries of the City of Oak and the Township of Conifer, but not the City of Birch or the Township of Pine. The county has the following characteristics once all calculations are performed:

- Certified levies of the county
  - \$2,000,000 General Levy
  - \$150,000 of Lake Improvement District Levy
- NTC tax base of each city/township
  - 2,000,000 in the City of Oak
  - 2,500,000 in the City of Birch
  - 1,000,000 in the township of Pine
  - 500,000 in the township of Conifer
- Initial tax rates by fund
  - .33333 or 33.333% for General Levy ( $\$2,000,000 / 6,000,000$ )
  - .06000 or 6.000% for Lake Improvement District Levy ( $\$150,000 / 2,500,000$ )

For simplicity, Lorken County has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, has a single school district, has no special taxing districts, and if the lake improvement district did not exist, the county would have a single tax rate. Also, assume that the only other levy the county is collecting is through the general fund, and that the spread levy is equal to the certified levy.

The county's submissions in the parcel Linking, Valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission but is used to ease the reading of this example.

### *Lorken County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00

- Exception Rate District Table (1)
  - Exception Rate Type Code: 08 (Lake Improvement District)
  - Exception Rate ID: 29
  - Taxing Authority Type Code: County
  - Parcel Characteristics Table (1 - ∞)
  - Parcel ID: All parcels within the City of Oak
- Unique Taxing Area Table (2)
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0200 (City of Birch)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Birch
- Unique Taxing Area Table (3)
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0300 (Pine Township)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within Pine Township
- Unique Taxing Area Table (4)
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0400 (Conifer Township)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 08 (Lake Improvement District)
    - Exception Rate ID: 29
    - Taxing Authority Type Code: County
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within Conifer Township

### *Lorcken County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.39333
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 08 (Lake Improvement District)
    - Exception Rate ID: 29

- Taxing Authority Type Code: County
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Oak
- Unique Taxing Area Table (2)
  - County Code: 98 (Lorlen County)
  - City/Township Code: 0200 (City of Birch)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.33333
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Birch
- Unique Taxing Area Table (3)
  - County Code: 98 (Lorlen County)
  - City/Township Code: 0300 (Pine Township)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.33333
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within Pine Township
    - Unique Taxing Area Table (4)
      - County Code: 98 (Lorlen County)
      - City/Township Code: 0400 (Conifer Township)
      - School Code: 4000
      - Unique Taxing Area ID: 00
      - Total Local County NTC Rate: 0.39333
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 08 (Lake Improvement District)
    - Exception Rate ID: 29
    - Taxing Authority Type Code: County
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within Conifer Township

### *Lorlen County Taxing Authority Tree*

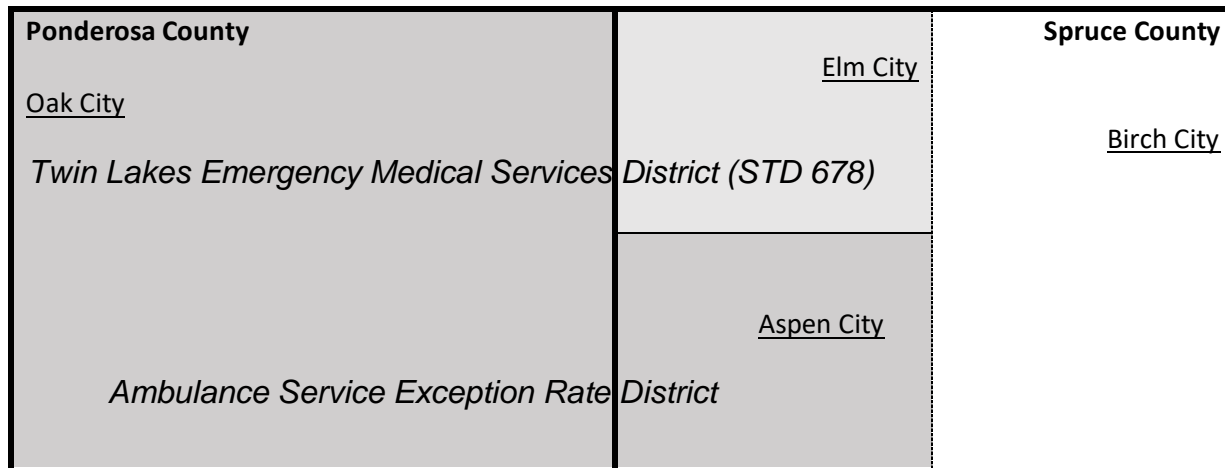
- Taxing Authority Table (1)
  - Taxing Authority Type: County
  - County Code: 98 (Lorlen County)
  - Taxing Authority Name: Lorlen
  - Fund Data Table (1)
    - Fund Type Code: A1 (General)
    - Levy Base Type: NTC
    - Taxable NTC or RMV: 6,000,000
    - Fund Amount: \$2,000,000

- Initial NTC Rate: .33333
- Fund Data Table (2)
  - Fund Type Code: A9 (Lake Improvement District)
  - Levy Base Type: NTC
  - Taxable NTC or RMV: 2,500,000
  - Fund Amount: \$150,000
  - Initial NTC Rate: .06000
  - Exception Rate Type Code: 08 (Lake Improvement District)
  - Exception Rate ID: 29
  - Exception Rate Description: For improving the area surrounding Blueberry Lake



## Cross County

### Example 11



Consider two counties, Ponderosa County and Spruce County.

- The Twin Lakes Emergency Medical Services District (Special Taxing District 678) levies in all of Ponderosa County and in part of Spruce County.
- There is also an ambulance service exception rate district that covers all of Ponderosa County and only some of the parcels on the Spruce County side of the special taxing district.
- The City of Oak is in Ponderosa County.
- The City of Elm is in Spruce County and is within the special taxing district but not the exception rate district.
- The City of Aspen is in Spruce County, is within the special taxing district, and is within the exception rate district. The City of Birch is in Spruce County and is outside the special taxing district and the exception rate district.

Light shading indicates the area of The Twin Lakes Emergency Medical Services District (Special Taxing District 678), and dark shading indicates the area where Ambulance service exception rate district and Twin Lakes Emergency Medical Services District (Special Taxing District 678) overlap.

- Certified levies of Ponderosa County
  - \$1,000,000 General Levy
- Certified levies of Emergency Medical Services Special Taxing District
  - \$189,000 of Emergency Medical Services Levy
  - \$120,000 of Ambulance Service Levy
- NTC tax base of each city/township
  - 3,000,000 in the City of Oak
- Initial tax rates by fund
  - .33333 or 33.333% for General Levy (\$1,000,000 / 3,000,000)
  - .06300 or 6.300% for Emergency Medical Services Levy (\$189,000 / 3,000,000)
  - .04000 or 4.000% for Ambulance Service Levy (\$120,000 / 3,000,000)

- Certified levies of Spruce County
  - \$2,000,000 General Levy
- Certified levies of Emergency Medical Services Special Taxing District
  - \$441,000 of Emergency Medical Services Levy
  - \$200,000 of Ambulance Service Levy
- NTC tax base of each city/township
  - 2,000,000 in the City of Elm
  - 5,000,000 in the City of Aspen
  - 1,000,000 in the City of Birch
- Initial tax rates by fund
  - .25000 or 25.000% for General Levy (\$2,000,000 / 8,000,000)
  - .06300 or 6.300% for Emergency Medical Services Levy (\$441,000 / 7,000,000)
  - .04000 or 4.000% for Ambulance Service Levy (\$200,000 / 5,000,000)

For simplicity, Ponderosa County and Spruce County have an initial tax rate equal to their local tax rate, are not located within a fiscal disparity area. Also, assume that the only other levy the county is collecting is through the general fund, and that the spread levy is equal to the certified levy. The levies and tax rates for the cities, townships and school districts have been bypassed for this example, even though they would be included in an actual submission, in order to keep the focus on the special taxing district and exception rate district.

The county's submissions in the Valuation and Taxation trees would look like the following but note that anything in parentheses would not physically appear on the submission but is used to ease the reading of this example.

#### *Ponderosa County Valuation Tree*

- Unique Taxing Area Table
  - County Code: 97 (Ponderosa County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Oak

#### *Spruce County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0200 (City of Elm)
  - School Code: 2000
  - Unique Taxing Area ID: 00
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Parcel Characteristics Table (1 - ∞)

- Parcel ID: All parcels within the City of Elm
- Unique Taxing Area Table (2)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0300 (City of Aspen)
  - School Code: 2000
  - Unique Taxing Area ID: 01
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Aspen
  - Exception Rate District Table
    - Exception Rate Type Code: 06 (Ambulance Service)
    - Exception Rate ID: 56
    - Taxing Authority Type: Special Taxing District
    - Special Taxing District Code: 678
- Unique Taxing Area Table (3)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0400 (City of Birch)
  - School Code: 2000
  - Unique Taxing Area ID: 02
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Birch

### *Ponderosa County Taxation Tree*

- Unique Taxing Area Table
  - County Code: 97 (Ponderosa County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: .33333
  - All other county, city/township, and school district local rates
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
    - Total Local STD NTC Rate: .10300
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Oak

### *Spruce County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0200 (City of Elm)

- School Code: 2000
- Unique Taxing Area ID: 00
- Total Local County NTC Rate: .25000
- All other county, city/township, and school district local rates
- Special Taxing District Table
  - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Total Local STD NTC Rate: .06300
- Parcel Characteristics Table (1 - ∞)
  - Parcel ID: All parcels within the City of Elm
- Unique Taxing Area Table (2)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0300 (City of Aspen)
  - School Code: 2000
  - Unique Taxing Area ID: 01
  - Total Local County NTC Rate: .25000
  - All other county, city/township, and school district local rates
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
    - Total Local STD NTC Rate: .10300
  - Exception Rate District Table
    - Exception Rate Type Code: 06 (Ambulance Service)
    - Exception Rate ID: 56
    - Taxing Authority Type: Special Taxing District
    - Special Taxing District Code: 678
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Aspen
- Unique Taxing Area Table (3)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0400 (City of Birch)
  - School Code: 2000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: .25000
  - All other county, city/township, and school district local rates
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the City of Birch

### *Ponderosa County Taxing Authority Tree*

- Taxing Authority Data Table (1)
  - Taxing Authority Type: County
  - County Code: 97 (Ponderosa County)
  - Taxing Authority Name: Ponderosa
  - Fund Data Table

- Fund Type Code: A01 (General)
- Tax Base Type: NTC
- Taxable NTC or RMV: 3,000,000
- Fund Amount: \$1,000,000
- Initial NTC Rate: .33333
- Taxing Authority Data Table (2)
  - Taxing Authority Type: Special Taxing District
  - County Code: 97 (Ponderosa County)
  - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Special Taxing District Type Code: 22 (Emergency Medical Services)
  - Taxing Authority Name: Twin Lakes Emergency Medical Services District
  - Fund Data Table (1)
    - Fund Type Code: D01 (General)
    - Tax Base Type: NTC
    - Taxable NTC or RMV: 3,000,000
    - Fund Amount: \$309,000
    - Initial NTC Rate: .10300

### *Spruce County Taxing Authority Tree*

- Taxing Authority Data Table (1)
  - Taxing Authority Type: County
  - County Code: 98 (Spruce County)
  - Taxing Authority Name: Spruce
  - Fund Data Table
    - Fund Type Code: A01 (General)
    - Tax Base Type: NTC
    - Taxable NTC or RMV: 8,000,000
    - Fund Amount: \$2,000,000
    - Initial NTC Rate: .25000
- Taxing Authority Data Table (2)
  - Taxing Authority Type: Special Taxing District
  - County Code: 98 (Spruce County)
  - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Special Taxing District Type Code: 22 (Emergency Medical Services)
  - Taxing Authority Name: Twin Lakes Emergency Medical Services District
  - Fund Data Table (1)
    - Fund Type Code: D01 (General)
    - Tax Base Type: NTC
    - Taxable NTC or RMV: 7,000,000
    - Fund Amount: \$441,000
    - Initial NTC Rate: .06300
  - Fund Data Table (2)

- Fund Type Code: D01 (General)
- Tax Base Type: NTC
- Taxable NTC or RMV: 5,000,000
- Fund Amount: \$200,000
- Initial NTC Rate: .04000
- Exception Rate Type Code: 06 (Ambulance Service)
- Exception Rate ID: 56
- Exception Rate Description: For providing ambulance service to the Twin Lakes area

The area for Special Taxing District 678 located within Ponderosa County does not have any exception rate districts as the rate is applied uniformly across the full taxing district within the county (Oak City). If the county wanted to report the two general funds separately in the Taxing Authority tree, rather than combining them as they are shown here, that would also be allowable for PRISM submission. The area of Special Taxing District 678 located within Spruce County, on the other hand, needs to have an exception rate district for the portion covering Aspen City as only that city receives the ambulance services. Birch City is not located within the special taxing district and is unaffected by either fund.

## Non-Property Tax Exception Rate Districts and Service Charges

The non-property tax exception rate districts allow a county, city, township, or school district to provide special services paid from revenues collected from services charges. These are service charges, not property tax levies, even though they are based on NTC and payable and collected in the same manner as property taxes. The service charges are not included in computations of tax increments, fiscal disparities, or any other law that applies to general ad valorem levies. Due to this, a non-property tax exception rate district will not have a taxable NTC/RMV, initial NTC, or initial RMV tax rate reflected in the Taxing Authority tree. There are only two types of non-property tax exception rate districts: special service districts and housing improvement districts.

### *Example 12*

Consider a housing improvement district within the City of Oak in Lorken County. The city has created a qualified housing improvement district and has collected some service charges based on the services rendered. The city has the following characteristics once all calculations are performed:

- Service Charges for the district are \$263,124
- NTC tax base for the home improvement district is 1,550,000
- NTC tax base for the City of Oak is 2,000,000
- Certified levy for the city is a \$980,000 General Levy
- The initial tax rate for the city is 49.000%

For simplicity, the City of Oak has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, a single school district, there are no special taxing districts, and if the housing improvement district did not exist, the city would have a unique taxing area. Also, assume that the only levy collected by the city is through the General/Other fund and that the spread levy is equal to the certified levy.

The county's submissions in the parcel Linking, Valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission but is used to ease the reading of this example.

### *Lorken County Valuation tree*

- Unique Taxing Area Table (1)
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the unique taxing area
- Unique Taxing Area Table (2)
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 01
  - Exception Rate District Table (1)

- Exception Rate Type Code: 10 (Housing Improvement District)
- Exception Rate ID: 112
- Taxing Authority Type Code: City
- Parcel Characteristics Table (1 - ∞)
  - Parcel ID: All parcels within the unique taxing area

### *Lorcken County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local City NTC Rate: 0.49000
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the unique taxing area
- Unique Taxing Area Table (2)
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0100 (City of Oak)
  - Total Local City NTC Rate: 0.49000
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 10 (Housing Improvement District)
    - Exception Rate ID: 112
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the unique taxing area

### *Lorcken County Taxing Authority Tree*

- Taxing Authority Table (1)
  - Taxing Authority Type: City/Township
  - County Code: 98 (Lorcken County)
  - City/Township Code: 0100 (City of Oak)
  - Taxing Authority Name: Oak
  - Fund Data Table (1)
    - Fund Type Code: B02 (General)
    - Levy Base Type: NTC
    - Taxable NTC or RMV: 2,000,000
    - Fund Amount: \$980,000
    - Initial NTC Rate: .49000
  - Fund Data Table (2)
    - Fund Type Code: B05 (Miscellaneous)
    - Levy Base Type: NTC



- Fund Amount: \$263,124
- Exception Rate Type Code: 10 (Housing Improvement District)
- Exception Rate ID: 112
- Exception Rate Description: For improving the housing in the Cherry Lane Neighborhood

# Power Line Reporting

## Summary

This section will explain how to report the valuation and taxation information for each power line parcel, and how to report individual power line credit information for non-power line parcels. How power lines are valued and how the power line credit is calculated will not be explained in detail in this section. For detailed explanations of how power lines are valued, contact SAPS at [sa.property@state.mn.us](mailto:sa.property@state.mn.us). If you need detailed explanations regarding the power line credit, refer to the Auditor/Treasurer Manual. These instructions have been created to show how to report the data that is generated by power line valuation and taxation, and the power line credit calculation in a PRISM submission.

The next three parts will cover the actual design and definitions of the tables shown on the logical file layout. The remaining sections will cover an explanation and example of a locally taxed power line, a county taxed power line, and then a power line credit. The examples will only reflect power line information, taxable market value (TMV), net tax capacities (NTC), and tax information. These examples are given to show how power line reporting works, and do not depict a full data submission. To keep the length down, assume conditional fields may not be reported because the information is not readily available.

## Power Line Property Type and Subtype Codes

Beginning in fall of 2020, report all power line parcels, regardless of whether they are taxed locally, at the county-wide rate, or exempt. Report the valuation data of taxable and exempt power lines in PRISM Submission 2, Adjusted Assessment file, and report the valuation and taxation data for all taxable power line parcels in PRISM Submission 3, Final Assessment and Taxation file. Select the property type depending on the power line and voltage involved. Property subtypes reflect whether the values are ordered or recommended by the State Assessed Property unit at Minnesota Department of Revenue. In the uncommon cases where a power line is considered exempt, the power line must be identified with the correct exemption code.

### *Property Types*

- K41 – Public Utility – Electric Transmission Line Less than 69kV
- K42 – Public Utility – Electric Transmission Line 69kV and greater
- K43 – Public Utility – High Voltage Transmission Lines 100kV to 200kV (excluding 200kV)
- K44 – Public Utility – High Voltage Transmission Lines 200kV and greater
- K50 – Public Utility – Electric Distribution Lines

### *Property Subtypes*

- B06 – Personal Property –Power Line Ordered Values
- B07 – Personal Property –Power Line Recommended Values

*Taxed at the County-Wide Average Rate*

<b>Power Line Categories</b>	<b>Power Line Location</b>	<b>Property Type</b>	<b>Notes</b>
Electric Transmission Lines less than 69kV	City, Township, Unorganized Township	K41	-
Electric Transmission Lines 69kV and greater	Unorganized Township	K42	-
High Voltage Transmission Lines 100 to 200kV (excluding 200kV)	Unorganized Township	K43	To be considered High Voltage the transmission line must be 100kV or more, over 1,500 feet in length, and built after 7/1/1974. (M.S. 216E.01).  Distribution of taxes shall be 50% to the general revenue fund of the county, 40% to the general school fund of the county, and 10% to the utility property tax credit fund (M.S. 273.42)
High Voltage Transmission Lines 200kV and greater	Unorganized Township	K44	To be considered High Voltage the transmission line must be 100kV or more, over 1,500 feet in length, and built after 7/1/1974. (M.S. 216E.01).  Distribution of taxes shall be 50% to the general revenue fund of the county, 40% to the general school fund of the county, and 10% to the utility property tax credit fund (M.S. 273.42).  Land over which these power lines travel may qualify for power line credit. (M.S. 273.42, subd. 2)
Electric Distribution Lines	Township, Unorganized Township	K50	Does not include distribution lines taxed as provided in M.S. 273.40 and 273.41 (Related to the REA Tax).
Electric Distribution Lines	City	K50	-

*Taxed at the Local Rate*

Power Line Categories	Power Line Location	Property Type	Notes
Electric Transmission Lines 69kV and greater	City, Township	K42	-
High Voltage Transmission Lines 100 to 200kV (excluding 200kV)	City, Township	K43	To be considered High Voltage the transmission line must be 100kV or more, over 1,500 feet in length, and built after 7/1/1974. (M.S. 216E.01).  Power lines between 100kV and 200kV located in a city or organized township may not be identified separately from the Electric Transmission Line 69kV and greater in a City or Organized Township.
High Voltage Transmission Lines 200kV and greater	City, Township	K44	To be considered High Voltage the transmission line must be 100kV or more, over 1,500 feet in length, and built after 7/1/1974. (M.S. 216E.01).  10% of NTC based tax revenue derived from the tax on this line funds the utility property tax credit, the remaining funds are distributed according to local tax rates.  Land over which these power lines travel may qualify for power line credit. (M.S. 273.42, subd. 2).

When creating power line parcels:

- Separate the distribution lines and transmission lines by property type and property subtype.
- Group distribution lines by the taxing jurisdiction and the electric company that owns them.
- Group transmission lines by the taxing jurisdiction and by the run of towers, the lines to which they are attached.

Multiple electric companies may own percentages of these transmission lines, and each would receive their own tax statements for their percentage. This means that unlike non-power line parcels (except for possibly natural gas and water), you can have multiple tax statements, going to different taxpayers, with different tax amounts reported for the same parcel.

Due to the multiple ways power line information may be stored in a county’s computer system, there are multiple ways that data could be reported through PRISM. For the following examples, we are assuming each property type and subtype combination receives their own parcel ID, and each parcel is owned by a single power company. If your county reflects multiple power company ownerships of a single parcel ID, or multiple power line property types within a single parcel, then that information can be reported by using multiple records.

Review the Linking by Record section for examples of how identical information stored in different manners can be reported.

A power line parcel should not contain non-power line property types. A non-powerline parcel may contain a limited amount of power line property types. For example, an electric substation parcel may contain the following values:

- land
- building
- electric generating machinery
- other machinery
- transmission line
- distribution line value

In this situation, when the transmission and distribution lines leave the substation parcel boundaries, then they are reported under their own parcel ID.

Most transmission lines will be taxed at the unique taxing area's local rates, the same as any non-power line parcel. The exception for this is for transmission lines that are located within an unorganized township and transmission lines that are under 69 kilovolts. This section includes an example for each type of taxed power line.

### **High-Voltage Transmission Line Parcels 200kV or More**

Power lines are valued and taxed using the same fields as all other property types. Four additional fields have been included for those power lines that meet the definition of a High-Voltage Transmission Line 200kV or more (property type K44) in order to track information needed for power line credits.

Only the power line contribution NTC and power line contribution tax fields are listed as conditional with the two-line length fields identified as deferrable.

#### *A110-14: Power Line Contribution NTC*

The portion of the high-voltage transmission line NTC that is subject to the local tax rate but is excluded from the initial tax rate determination value. This is 10% of the NTC of the high-voltage transmission lines 200kV or more constructed in cities and organized townships.

#### *A110-19: Line Length*

The total length of high-voltage transmission lines 200kV or more described by the Parcel ID (A100-01). Only those parcels that are taxed at the unique taxing area's local NTC rate are reported in this field for the second and third PRISM submissions. Line length is the physical length of the line within a unique taxing area for that parcel and is not affected by the apportionment of estimated market value (EMV) amongst multiple utility companies.

### *B300-12: Power Line Contribution Tax*

The tax on the power line contribution NTC (A110-14) that was not included in the NTC used to determine initial tax rates. This is calculated by multiplying the power line contribution NTC by the prevailing total local tax rate. The state general tax is **not** included in this field.

### *D210-12: Line Length*

The total length of high-voltage transmission lines 200kV or more described by the Parcel ID (D200-04). Only those parcels that are taxed at the county's average NTC rate are reported in this field for the third PRISM submission. Line length is the physical length of the line within a county for that parcel and is not affected by the apportionment of EMV amongst multiple utility companies.

## **Parcels Eligible for the Power Line Credit**

Additional information must be collected when a parcel or group of parcels are eligible to receive a power line credit. This additional information is required for the calculation of the power line credit. Only qualifying parcels that have High-Voltage Transmission Lines 200kV or more (property type K44) crossing over them can receive this credit.

Both fields are identified as deferrable.

### *B310-07: Line Parcel ID*

The parcel ID of the high-voltage transmission line 200kV or more that crosses qualifying property receiving the power line credit. This field is only completed for those parcels reporting a power line credit on the third PRISM submission.

If the crossing power line has multiple line parcel IDs due to the line EMV being apportioned to multiple utility companies, then report one of the line parcel IDs within this field.

If multiple high-voltage power lines 200kV and above cross the property, then a taxation modifier has to be created for each line.

### *B310-08: Percentage of Line on Parcel*

The percentage of the high-voltage transmission line 200kV or more that crosses the parcel that receives the power line credit. This percentage includes any right-of-way situations where the power line straddles the border between two separate qualifying properties. This field is only completed for those parcels reporting a power line credit on the third PRISM submission (MS 273.42).

## Power Line Parcels Taxed at the Local NTC Rate

### Example 13

In this example, the city contains two separate unique taxing areas and power line parcels that are taxed at the unique taxing area's local tax rate.

<u>Unique Taxing Area 00</u>	<u>Unique Taxing Area 01</u>
County: Spruce	County: Spruce
City Town: Oak City	City: Oak City
School: Aspen Lakes	School: Cherrywood Pines
Special: None	Special: None
(A) Transmission $\geq$ 69kV: \$325,000	(D) Transmission < 69kV: \$95,000
(B) Transmission $\geq$ 200kV: \$1,000,000	(E) Transmission $\geq$ 69kV: \$400,000
(C) Distribution Line: \$225,000	(F) Distribution Line: \$150,000

#### Unique Taxing Area 00:

- Spruce County has a local tax rate of 67.444%.
- The City of Oak has a local tax rate of 22.553%.
- The school district of Aspen Lakes has a local tax rate of 12.380%.
- Parcel A – \$325,000 of Electric Transmission Lines 69kV or more.
- Parcel B - \$1,000,000 of High-Voltage Transmission Lines 200kV or more.
- Parcel C – \$225,000 of Electric Distribution Lines in a City.
- The length of the Electric Transmission Lines 200kV or more is 12,455 feet.

#### Unique Taxing Area 01:

- Spruce County has a local tax rate of 67.444%.
- The City of Oak has a local tax rate of 22.553%.
- The school district of Cherrywood Pines has a local tax rate of 18.992%.
- Parcel D – \$95,000 of Electric Transmission Lines under 69kV.
- Parcel E – \$400,000 of Electric Transmission Lines 69kV or more.
- Parcel F – \$150,000 Electric Distribution Lines in a City.

#### Other Important Information

- There are no special taxing districts in either UTA.
- All power line local NTC tax base: first \$150,000 at 1.50%, over \$150,000 at 2.00%.
- All power line state NTC tax base: first \$150,000 at 1.50%, over \$150,000 at 2.00%.
- The state general tax rate for commercial/industrial property is 52.523%.

For simplicity, the City of Oak has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, and does not have any special taxing or exception rate districts. There is no referendum market value (RMV) or special assessments on the parcels either. Also, assume the power lines are owned by a single power company, and the first \$150,000 in value is already covered by the base parcel (not reflected on this example).

The county's submissions in the Valuation and Taxation trees would look like the following but note that anything in parentheses would not physically appear on the submission and is just used to ease the reading of this example.

### *Spruce County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1)
    - Parcel ID: A
    - Taxable Property Table (1)
      - Property Type: Electric Transmission Line 69kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 325,000
      - Fully Taxable NTC: 6,500 (\$325,000 X .02)
      - State NTC: 6,500 (\$325,000 X .02)
  - Parcel Characteristics Table (2)
    - Parcel ID: B
    - Taxable Property Table (1)
      - Property Type: High-Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Ordered Values
      - Building/Other TMV: 1,000,000
      - Fully Taxable NTC: 20,000 (\$1,000,000 X .02)
      - State NTC: 20,000 (\$1,000,000 X .02)
      - Power Line Contribution NTC: 2,000 (20,000 X .10)
      - Line Length: 12,455
  - Parcel Characteristics Table (3)
    - Parcel ID: C
    - Taxable Property Table (1)
      - Property Type: Electric Distribution Lines
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 225,000
      - Fully Taxable NTC: 4,500 (\$225,000 X .02)
      - State NTC: 4,500 (\$225,000 X .02)



- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 01
  - Parcel Characteristics Table (1)
    - Parcel ID: D
    - Taxable Property Table (1)
      - Property Type: Electric Transmission Line under 69kV
      - Property Subtype: Power Line Ordered Values
      - Building/Other TMV: 95,000
      - Fully Taxable NTC: 1,900 (\$95,000 X .02)
      - State NTC: 1,900 (\$95,000 X .02)
  - Parcel Characteristics Table (2)
    - Parcel ID: E
    - Taxable Property Table (1)
      - Property Type: Electric Transmission Line 69kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 400,000
      - Fully Taxable NTC: 8,000 (\$400,000 X .02)
      - State NTC: 8,000 (\$400,000 X .02)
  - Parcel Characteristics Table (3)
    - Parcel ID: F
    - Taxable Property Table (1)
      - Property Type: Electric Distribution Lines
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 150,000
      - Fully Taxable NTC: 3,000 (\$150,000 X .02)
      - State NTC: 3,000 (\$150,000 X .02)

### *Spruce County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.12380
  - Parcel Characteristics Table (1)
    - Parcel ID: A

- Current Year Total Property Tax and Special Assessments: \$10,068.51
  - Gross local NTC Tax: \$6,654.51 (6,500 X 1.02377)
  - Net Local NTC Tax: \$6,654.51
  - State NTC Tax: \$3,414.00 (6,500 X 0.52523)
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: \$30,980.00
  - Gross local NTC Tax: \$20,475.40 (20,000 X 1.02377)
  - Net Local NTC Tax: \$20,475.40
  - State NTC Tax: \$10,504.60 (20,000 X 0.52523)
  - Power Line Contribution Tax: \$2,047.54
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Current Year Total Property Tax and Special Assessments: \$6,970.51
  - Gross local NTC Tax: \$4,606.97 (4,500 X 1.02377)
  - Net Local NTC Tax: \$4,606.97
  - State NTC Tax: \$2,363.54 (4,500 X 0.52523)
- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 01
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.18992
  - Parcel Characteristics Table (1)
    - Parcel ID: D
    - Current Year Total Property Tax and Special Assessments: \$3,068.73
    - Gross local NTC Tax: \$2,070.79 (1,900 X 1.08989)
    - Net Local NTC Tax: \$2,070.79
    - State NTC Tax: \$997.94 (1,900 X 0.52523)
  - Parcel Characteristics Table (2)
    - Parcel ID: E
    - Current Year Total Property Tax and Special Assessments: \$12,920.96
    - Gross local NTC Tax: \$8,719.12 (8,000 X 1.08989)
    - Net Local NTC Tax: \$8,719.12
    - State NTC Tax: \$4,201.84 (8,000 X 0.52523)
  - Parcel Characteristics Table (3)
    - Parcel ID: F
    - Current Year Total Property Tax and Special Assessments: \$4,845.36
    - Gross local NTC Tax: \$3,269.67 (3,000 X 1.08989)
    - Net Local NTC Tax: \$3,269.67

- State NTC Tax: \$1,575.69 (3,000 X 0.52523)

There are no power line credit fields completed, as these parcels are for the power lines themselves, not for the parcels over which they cross. Parcel B is the only parcel containing high-voltage power lines 200kV or more that require the power line contribution NTC, power line contribution tax, and power line length fields to be completed.

## Power Line Parcels Taxed at the Countywide Average Rate

### Example 14

<u>Spruce County</u>
(G) Transmission $\geq$ 69kV: \$1,500,000
(H) Transmission $>$ 100kV and $<$ 200kV: \$900,000
(I) Transmission $\geq$ 200kV: \$2,300,000
(J) Distribution Line: \$600,000

This example involves valuation and taxation of power line parcels that are taxed at the countywide average rate. In this case, the power line is within Spruce County, and is owned by Elm Electric.

The Countywide Average NTC rate is 167.444%.

All power line Local NTC Tax Base: first \$150,000 at 1.50%, over \$150,000 at 2.00%.

All power line State NTC Tax Base: first \$150,000 at 1.50%, over \$150,000 at 2.00%.

The state general tax rate for commercial/industrial property is 52.523%.

For simplicity, the County of Spruce is not located within a fiscal disparity area, and the county does not have any special taxing or exception rate districts. There are no RMV rates or special assessments on the parcel. Also, assume the power lines are owned by a single power company, are located within unorganized townships within the county, and the first \$150,000 in value is already covered by the base parcel (not reflected on this example).

The county's submissions in the Taxing Authority tree would look like the following but note that anything in parentheses would not physically appear on the submission and just used to ease the reading of this example.

### *Spruce County Taxing Authority Tree*

- Taxing Authority Data Table (1)
  - Taxing Authority Type: County
  - County Code: 97 (Spruce County)
  - Taxing Authority Name: Spruce County
  - County Average NTC Rate: 1.67444
  - Taxation Data Table (1)
    - Net Local NTC Tax: \$50,233.20 (30,000 X 1.67444)
    - State NTC Tax: \$15,756.90 (30,000 X 0.52523)
    - Parcel ID: G
    - Valuation Data Table (1)
      - Property Type: Electric Transmission Line 69kV or more
      - Property Subtype: Power Line Ordered Values
      - Building/Other TMV: 1,500,000

- Fully Taxable NTC: 30,000 ( $\$1,500,000 \times .02$ )
  - State NTC: 30,000 ( $\$1,500,000 \times .02$ )
- Taxation Data Table (2)
  - Net Local NTC Tax:  $\$30,139.92$  ( $18,000 \times 1.67444$ )
  - State NTC Tax:  $\$9,454.14$  ( $18,000 \times 0.52523$ )
  - Parcel ID: H
  - Valuation Data Table (1)
    - Property Type: High-Voltage Transmission Line 100kV to 200kV
    - Property Subtype: Power Line Ordered Values
    - Building/Other TMV: 900,000
    - Fully Taxable NTC: 18,000 ( $\$900,000 \times .02$ )
    - State NTC: 18,000 ( $\$900,000 \times .02$ )
- Taxation Data (3)
  - Net Local NTC Tax:  $\$77,024.24$  ( $46,000 \times 1.67444$ )
  - State NTC Tax:  $\$24,160.58$  ( $46,000 \times 0.52523$ )
  - Parcel ID: I
  - Valuation Data Table (1)
    - Property Type: High-Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 2,300,000
    - Fully Taxable NTC: 46,000 ( $\$2,300,000 \times .02$ )
    - State NTC: 46,000 ( $\$2,300,000 \times .02$ )
    - Line Length: 220,113
- Taxation Data (4)
  - Net Local NTC Tax:  $\$20,093.28$  ( $12,000 \times 1.67444$ )
  - State NTC Tax:  $\$6,302.76$  ( $12,000 \times 0.52523$ )
  - Parcel ID: J
  - Valuation Data Table (1)
    - Property Type: Electric Distribution Lines
    - Property Subtype: Power Line Ordered Values
    - Building/Other TMV: 600,000
    - Fully Taxable NTC: 12,000 ( $\$600,000 \times .02$ )
    - State NTC: 12,000 ( $\$600,000 \times .02$ )

Since all of these parcels are taxed at a countywide average rate, none of the parcels are reported in the Valuation and Taxation trees. There are no power line credit fields completed, as these parcels are for the power lines themselves, not for the parcels over which they cross. Parcel I is the only parcel containing high-voltage power lines 200kV or more that required the power line length field to be completed.

## Power Lines with Multiple Utility Companies or Covering Multiple UTAs

### Example 15

<u>Unique Taxing Area 00</u>	<u>Unique Taxing Area 01</u>	<u>Unique Taxing Area 02</u>
County: Spruce	County: Spruce	County: Spruce
City Town: Basswood City	City: Basswood City	City: Basswood City
School: Aspen Lakes	School: Cherrywood Pines	School: Cherrywood Pines
Special: None	Special: None	Special: Basswood HRA
Line Value: \$6,000,000	Line Value: \$3,000,000	Line Value: \$1,000,000
Line Length: 60,000 ft.	Line Length: 30,000 ft.	Line Length: 10,000 ft.
(K) Edison Electric Co.	(N) Edison Electric Co.	(Q) Edison Electric Co.
(L) Tesla Electric Co.	(O) Tesla Electric Co.	(R) Tesla Electric Co.
(M) Holonyak Electric Co.	(P) Holonyak Electric Co.	(S) Holonyak Electric Co.

It is possible to have a single power line within a city or township that has been divided into multiple parcels due to the line EMV being apportioned amongst multiple utility companies within a unique taxing area and/or multiple unique taxing areas existing within a city or township.

In this example there is a single High Voltage Transmission Line 200kV and above within the City of Basswood that is worth \$10,000,000 and has a length of 100,000 ft.

The City of Basswood is comprised of three unique taxing areas where 60% of the power line is in UTA 00, 30% is in UTA 01, and 10% is in UTA 02.

The situation is further complicated by the fact that there are three utility companies that own the line, so each company has EMV for the line within Basswood:

- 50% of the line EMV is apportioned to Edison Electric Company.
- 30% of the line EMV is apportioned to Tesla Electric Company.
- 20% of the line EMV is apportioned to Holonyak Electric Company.

If a separate power line parcel id is created for each utility company within a UTA for the city, then this results in nine individual parcels being reported for a single power line.

For this example, we are using a high-voltage transmission line 200kV and above as it has the most fields attributed to it.

Unique Taxing Area 00:

- Spruce County has a local tax rate of 67.444%.
- The City of Basswood has a local tax rate of 26.750%.

- The school district of Aspen Lakes has a local tax rate of 12.380%.
- Parcel K – 30% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel L – 18% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel M – 12% of the total High-Voltage Transmission Line 200kV or more EMV.
- The length of the Electric Transmission Lines 200kV or more is 12,455 feet.

#### Unique Taxing Area 01:

- Spruce County has a local tax rate of 67.444%.
- The City of Basswood has a local tax rate of 26.750%.
- The school district of Cherrywood Pines has a local tax rate of 18.992%.
- Parcel N – 15% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel O – 9% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel P – 6% of the total High-Voltage Transmission Line 200kV or more EMV.

#### Unique Taxing Area 02:

- Spruce County has a local tax rate of 67.444%.
- The City of Basswood has a local tax rate of 26.750%.
- The school district of Cherrywood Pines has a local tax rate of 18.992%.
- The special taxing district of Basswood HRA has a local tax rate of 0.952%
- Parcel Q – 5% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel R – 3% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel S – 2% of the total High-Voltage Transmission Line 200kV or more EMV.

#### Other Important Information

- All power line Local NTC Tax Base: first \$150,000 at 1.50%, over \$150,000 at 2.00%.
- All power line State NTC Tax Base: first \$150,000 at 1.50%, over \$150,000 at 2.00%.
- The state general tax rate for commercial/industrial property is 52.523%.

For simplicity, all initial tax rates are equal to their local tax rates, are not located within a fiscal disparity area, and do not have any exception rate districts. There is no RMV or special assessments on the parcels either. Also, assume that the first \$150,000 in value is already covered by the base parcel (not reflected on this example).

The county's submissions in the Valuation and Taxation trees would look like the following but note that anything in parentheses would not physically appear on the submission and is just used to ease the reading of this example.

#### *Spruce County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1)
    - Parcel ID: K
    - Taxable Property Table (1)

- Property Type: High Voltage Transmission Line 200kV or More
  - Property Subtype: Power Line Recommended Values
  - Building/Other TMV: 3,000,000 (10,000,000 X .30 or 6,000,000 X .50)
  - Fully Taxable NTC: 60,000 (\$3,000,000 X .02)
  - State NTC: 60,000 (\$3,000,000 X .02)
  - Power Line Contribution NTC: 6,000 (60,000 X .10)
  - Line Length: 60,000 ft.
- Parcel Characteristics Table (2)
  - Parcel ID: L
  - Taxable Property Table (1)
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 1,800,000 (10,000,000 X .18 or 6,000,000 X .30)
    - Fully Taxable NTC: 36,000 (\$1,800,000 X .02)
    - State NTC: 36,000 (\$1,800,000 X .02)
    - Power Line Contribution NTC: 3,600 (36,000 X .10)
    - Line Length: 60,000 ft.
- Parcel Characteristics Table (3)
  - Parcel ID: M
  - Taxable Property Table (1)
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 1,200,000 (10,000,000 X .12 or 6,000,000 X .20)
    - Fully Taxable NTC: 24,000 (\$1,200,000 X .02)
    - State NTC: 24,000 (\$1,200,000 X .02)
    - Power Line Contribution NTC: 2,400 (24,000 X .10)
    - Line Length: 60,000 ft.
- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 01
  - Parcel Characteristics Table (1)
    - Parcel ID: N
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 1,500,000 (10,000,000 X .15 or 3,000,000 X .50)
      - Fully Taxable NTC: 30,000 (\$1,500,000 X .02)
      - State NTC: 30,000 (\$1,500,000 X .02)
      - Power Line Contribution NTC: 3,000 (30,000 X .10)



- Line Length: 30,000 ft.
  - Parcel Characteristics Table (2)
    - Parcel ID: O
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 900,000 (10,000,000 X .09 or 3,000,000 X .30)
      - Fully Taxable NTC: 18,000 (\$900,000 X .02)
      - State NTC: 18,000 (\$900,000 X .02)
      - Power Line Contribution NTC: 1,800 (18,000 X .10)
      - Line Length: 30,000 ft.
  - Parcel Characteristics Table (3)
    - Parcel ID: P
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 600,000 (10,000,000 X .06 or 3,000,000 X .20)
      - Fully Taxable NTC: 12,000 (\$600,000 X .02)
      - State NTC: 12,000 (\$600,000 X .02)
      - Power Line Contribution NTC: 1,200 (12,000 X .10)
      - Line Length: 30,000 ft.
- Unique Taxing Area Table (3)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 02
  - Special Taxing District Table (1)
  - Special Taxing District Code: 873 (Basswood HRA)
  - Parcel Characteristics Table (1)
    - Parcel ID: Q
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 500,000 (10,000,000 X .05 or 1,000,000 X .50)
      - Fully Taxable NTC: 10,000 (\$500,000 X .02)
      - State NTC: 10,000 (\$500,000 X .02)
      - Power Line Contribution NTC: 1,000 (10,000 X .10)
      - Line Length: 10,000 ft.
  - Parcel Characteristics Table (2)
    - Parcel ID: R
    - Taxable Property Table (1)

- Property Type: High Voltage Transmission Line 200kV or More
- Property Subtype: Power Line Recommended Values
- Building/Other TMV: 300,000 (10,000,000 X .03 or 1,000,000 X .30)
- Fully Taxable NTC: 6,000 (\$300,000 X .02)
- State NTC: 6,000 (\$300,000 X .02)
- Power Line Contribution NTC: 600 (6,000 X .10)
- Line Length: 10,000 ft.
- Parcel Characteristics Table (3)
  - Parcel ID: S
  - Taxable Property Table (1)
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 200,000 (10,000,000 X .02 or 1,000,000 X .20)
    - Fully Taxable NTC: 4,000 (\$200,000 X .02)
    - State NTC: 4,000 (\$200,000 X .02)
    - Power Line Contribution NTC: 400 (4,000 X .10)
    - Line Length: 10,000 ft.

### *Spruce County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.12380
  - Parcel Characteristics Table (1)
    - Parcel ID: K
    - Current Year Total Property Tax and Special Assessments: \$92,940.00
    - Gross local NTC Tax: \$61,426.20 (60,000 X 1.02377)
    - Net Local NTC Tax: \$61,426.20
    - State NTC Tax: \$31,513.80 (60,000 X 0.52523)
    - Power Line Contribution Tax: \$6,142.62
  - Parcel Characteristics Table (2)
    - Parcel ID: L
    - Current Year Total Property Tax and Special Assessments: \$55,764.00
    - Gross local NTC Tax: \$36,855.72 (36,000 X 1.02377)
    - Net Local NTC Tax: \$36,855.72
    - State NTC Tax: \$18,908.28 (36,000 X 0.52523)
    - Power Line Contribution Tax: \$3,685.58

- Parcel Characteristics Table (3)
  - Parcel ID: M
  - Current Year Total Property Tax and Special Assessments: \$37,176.00
  - Gross local NTC Tax: \$24,570.48 (24,000 X 1.02377)
  - Net Local NTC Tax: \$24,570.48
  - State NTC Tax: \$12,605.52 (24,000 X 0.52523)
  - Power Line Contribution Tax: \$2,457.05
- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 01
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.18992
  - Parcel Characteristics Table (1)
    - Parcel ID: N
    - Current Year Total Property Tax and Special Assessments: \$48,453.60
    - Gross local NTC Tax: \$32,696.70 (30,000 X 1.08989)
    - Net Local NTC Tax: \$32,696.70
    - State NTC Tax: \$15,756.90 (30,000 X 0.52523)
    - Power Line Contribution Tax: \$3,269.67
  - Parcel Characteristics Table (2)
    - Parcel ID: O
    - Current Year Total Property Tax and Special Assessments: \$29,072.16
    - Gross local NTC Tax: \$19,618.02 (18,000 X 1.08989)
    - Net Local NTC Tax: \$19,618.02
    - State NTC Tax: \$9,454.14 (18,000 X 0.52523)
    - Power Line Contribution Tax: \$1,961.81
  - Parcel Characteristics Table (3)
    - Parcel ID: P
    - Current Year Total Property Tax and Special Assessments: \$19,381.44
    - Gross local NTC Tax: \$13,078.68 (12,000 X 1.08989)
    - Net Local NTC Tax: \$13,078.68
    - State NTC Tax: \$6,302.76 (12,000 X 0.52523)
    - Power Line Contribution Tax: \$1,307.87
- Unique Taxing Area Table (3)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 02
  - Total Local County NTC Rate: 0.67444

- Total Local City/Township NTC Rate: 0.22553
- Total Local School District NTC Rate: 0.18992
- Special Taxing District Table
  - Special Taxing District Code: 873 (Basswood HRA)
  - Total Local Special Taxing District NTC Rate: 0.00925
- Parcel Characteristics Table (1)
  - Parcel ID: Q
  - Current Year Total Property Tax and Special Assessments: \$16,243.70
  - Gross local NTC Tax: \$10,991.40 (10,000 X 1.09914)
  - Net Local NTC Tax: \$10,991.40
  - State NTC Tax: \$5,252.30 (10,000 X 0.52523)
  - Power Line Contribution Tax: \$1,099.14
- Parcel Characteristics Table (2)
  - Parcel ID: R
  - Current Year Total Property Tax and Special Assessments: \$9,746.22
  - Gross local NTC Tax: \$6,594.84 (6,000 X 1.09914)
  - Net Local NTC Tax: \$6,594.84
  - State NTC Tax: \$3,151.38 (6,000 X 0.52523)
  - Power Line Contribution Tax: \$659.49
- Parcel Characteristics Table (3)
  - Parcel ID: S
  - Current Year Total Property Tax and Special Assessments: \$6,497.48
  - Gross local NTC Tax: \$4,396.56 (4,000 X 1.09914)
  - Net Local NTC Tax: \$4,396.56
  - State NTC Tax: \$2,100.92 (4,000 X 0.52523)
  - Power Line Contribution Tax: \$439.66

The EMV, TMV, and NTC are split by the utility company apportionment by UTA. Since this is a High Voltage Transmission Line 200kV and above the power line contribution NTC is split by the utility company apportionment by UTA. The line length reported for each parcel is the actual physical length of the line within the UTA. If the line was located in unorganized townships, then the line length reported would be for all unorganized townships within the county.

## Parcels Qualifying for a Power Line Credit

### Example 16

(AA)	(BB)
Jerry	Mary
City of Oak	City of Basswood
1a-\$275,000	1a-\$300,000
Line Parcel ID: B	Line Parcel IDs: N, O & P

Consider this example involving two different parcels receiving a power line credit.

- Jerry and Mary each own a 3/4-acre parcel in their respective city that they each claim as a residential homestead.
- Jerry's parcel has a 200kV high-voltage transmission line crossing the southwest corner (parcel B that was described in Example 13).
- Mary's Parcel has a 200kV high-voltage transmission line crossing the northwest corner (parcels N, O & P that were described in Example 15).
- No RMV rates or special assessments exist on this parcel. The following rates are used to determine the fully taxable NTC by property type:
  - The total local tax rate for Jerry's parcel is 102.377%.
  - The total local tax rate for Mary's parcel is 108.989%.
  - 1a Residential Homestead – first \$500,000 at 1.00%, over \$500,000 at 1.25%.
  - The length of the transmission line parcel B crossing parcel AA is 75 feet.
  - The total length of the City of Oak transmission line is 12,455 feet.
  - The total power line contribution tax of the City of Oak transmission line is \$2,047.54.
  - The length of the transmission line parcel N, O & P crossing parcel BB is 95 feet.
  - The total length of the City of Basswood transmission line is 100,000 feet.
  - The total power line contribution tax of the City of Basswood transmission line is \$21,022.89.

The county's submissions in the valuation, and Taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and just used to ease the reading of this example.

### *Spruce County Valuation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (city of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1)
    - Parcel ID: AA

- Taxable Property Table (1)
      - Property Type: 1a Residential Homestead
      - Property Subtype: Real Property
      - Land TMV: \$75,000
      - Building TMV: \$200,000
      - Fully Taxable NTC: 2,750 (\$275,000 X .01)
    - Preferential Entities Table (1)
      - Preferential Entity Type Code: Residential Homestead
      - Number of Preferential Rate Entities: 1
  - Unique Taxing Area Table (2)
    - County Code: 97 (Spruce County)
    - City/Township Code: 0300 (city of Basswood)
    - School District Code: 4770 (Cherrywood Pines)
    - Unique Taxing Area ID: 01
    - Parcel Characteristics Table (1)
      - Parcel ID: BB
      - Taxable Property Table (1)
        - Property Type: 1a Residential Homestead
        - Property Subtype: Real Property
        - Land TMV: \$80,000
        - Building TMV: \$220,000
        - Fully Taxable NTC: 3,000 (\$300,000 X .01)
      - Preferential Entities Table (1)
        - Preferential Entity Type Code: Residential Homestead
        - Number of Preferential Rate Entities: 1

### *Spruce County Taxation Tree*

- Unique Taxing Area Table (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (city of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.12380
  - Parcel Characteristics Table (1)
    - Parcel ID: AA
    - Current Year Qualifying Tax Amount: \$2,803.04
    - Current Year Total Property Tax and Special Assessments: \$2,803.04
    - Gross local NTC Tax: \$2,815.37 (2,750 X 1.02377)
    - Net Local NTC Tax: \$2,803.04 (\$2,815.37 – \$12.33)

- Taxation Modifier Table (1)
      - Modifier Type: Power Line credit
      - NTC Modifier Amount: \$12.33 (\$2,047.54 X .006)
      - Line Parcel ID: B
      - Percentage of Line on Parcel: .006 (75/12,455)
- Unique Taxing Area Table (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (city of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 02
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.18992
  - Parcel Characteristics Table (1)
    - Parcel ID: AA
    - Current Year Qualifying Tax Amount: \$23,248.64
    - Current Year Total Property Tax and Special Assessments: \$3,248.64
    - Gross local NTC Tax: \$3,269.67 (3,000 X 1.08989)
    - Net Local NTC Tax: \$3,248.64 (\$3,269.67 – \$21.03)
    - Taxation Modifier Table (1)
      - Modifier Type: Power Line credit
      - NTC Modifier Amount: \$21.03 (\$21,022.89 X .001)
      - Line Parcel ID: N (O or P are also options)

Percentage of Line on Parcel: .001 (95 / 100,000). As you can see, the power line credit is the power line contribution tax for the total line within the city/township multiplied by the percentage of the total transmission line on the parcel. Even though there are three power line parcels crossing the borders of parcel AA, there is only one physical line so only one taxation modifier table is required.

## Class 1b - Reporting of Homesteads for Persons Who Are Blind or Have a Disability

The 1b classification of property applies to the first \$50K of taxable market value (TMV). Unless the valuation modifier is class-specific, any modifiers that affect the homestead property should be applied to the Class 1b property type first, as the modifiers are used to calculate TMV. Since these valuation modifiers can change depending on the property involved, and the TMV of the Class 1b portion of the homestead cannot increase past \$50K, the EMV of the Class 1b property has to be recalculated when reporting the values between the two homestead property types in PRISM.

We recommend reporting these numbers through PRISM in the following manner:

1. Continue to view the homestead property as a whole when calculating any homestead specific valuation modifiers, such as the homestead market value exclusion.
2. Determine the total homestead TMV of the parcel.
  - If greater than the Class 1b limit, the TMV is capped at the tier.
  - If lower than the Class 1b limit, do not split the TMV into another homestead record.
3. Apply all qualifying valuation modifiers that affect the homestead to the Class 1b property type, up to the total EMV for the parcel. Homestead market value exclusion is calculated at a homestead level and applied to the base parcel first (up to the EMV of the parcel). Do not carry an excluded value to another parcel until the base parcel's TMV is zero.
4. Record the EMV of the Class 1b property type as the sum of the Class 1b homestead TMV and all qualifying valuation modifiers.
5. Report any remaining homestead EMV for the parcel, if any, under a new record as either agricultural homestead house, garage, and first acre (HGA) or residential homestead.
6. Apply any remaining class or parcel specific valuation modifiers for the parcel.
7. Calculate the new TMV of the agricultural or residential homestead property type for that parcel.

When distributing value between property types in PRISM, the EMV and TMV are reported between land and building in proportion to total land and building TMV for parcel. The valuation modifiers are apportioned if they apply to the property as a whole, or to the land or building in particular if it only applies to that portion.

We have created several examples to show the breakdown of these records depending on homestead values, number of parcels, and fractional homesteads. Use this document to determine how to report the EMV, valuation modifier, and TMV in PRISM. Use the [Property Tax Administrator's Manual](#) to determine the calculation of a valuation modifier. If you need further clarification of a reporting issue in your county, contact the PRISM team at [prism.mdor@state.mn.us](mailto:prism.mdor@state.mn.us).

We did not include an example for Class 1b rate extended to additional agricultural homestead property beyond the house, garage, and first acre (HGA). We recommend that the homestead for persons who are blind or have a disability classification only be applied to the HGA, allowing property owners to maximize their other benefits (e.g. agricultural credits).



## Class 1b - TMV Under \$50K with the Homestead MV Exclusion

### Example 17

(A) Quinn
HGA Land - \$5,000
HGA Bldg - \$35,000
2a NonHGA Land - \$38,000
2a NonHGA Bldg - \$2,000
Green Acres amount deferred - \$5,000

Quinn owns a 40 acre parcel she claims as an agricultural homestead and homestead for persons who are blind or have a disability (Class 1b).

The EMV House, Garage, and First Acre value of the property is low enough that the homestead market value exclusion is set at 40% of the EMV (with no reductions).

- These assessment year 2018 rates are used to determine the fully taxable net tax capacity (NTC) and referendum market value (RMV) by property type for this example:
  - Class 1b Homestead NTC – up to \$50K at .45%
    - Any value exceeding the tier must be Agricultural Homestead HGA.
  - Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%
    - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
  - Agricultural HGA Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
    - The \$500K tier must include any utilized Class 1b homestead tier value.
  - Agricultural HGA Homestead RMV – all value at 100%.
  - 2a Agricultural Non-HGA Homestead – first \$1.9M at 0.50%, over 1.9M at 1.00%.
    - The \$1.9M tier must include any utilized Class 1b tier on non-HGA land (if any).
  - 2a Agricultural Non-HGA Homestead RMV – none.

An example of the county’s submissions in the Valuation tree is shown in the following section. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM, the exclusion is not split between land and building/other values, but for understanding the math involved in this example, it has been included.

Parcel A	
<b>Total Parcel Values &amp; Exclusions</b>	
EMV	\$40,000 HGA 12.50% Land 87.50% Building/Other
	\$40,000 2a Non-HGA 95.00% Land 5.00% Building/Other
HGA Market Value prior to HMVE	\$40,000

Homestead Market Value Exclusion	\$40,000 * 40% = \$16,000
Green Acres Exclusion	\$5000 for 39 qualifying acres
HGA TMV	\$40,000 - \$16,000 = \$24,000
<b>Class 1b Homestead Agricultural HGA Record</b>	
TMV	\$24,000 (\$24,000 < \$50,000 tier) \$3,000 Land (12.5% of \$24K) \$21,000 Building/Other (87.5% of \$24K)
Homestead Market Value Exclusion	\$16,000 \$2,000 Land (12.5% of \$16K) \$14,000 Building/Other (87.5% of \$16K)
EMV – 1b record	\$24,000 + \$16,000 = \$40,000 \$5,000 Land \$35,000 Building/Other
NTC	\$24,000 * 0.45% = 108
RMV	\$40,000 (\$40,000 < \$50,000 tier) \$40,000 * 45% = 18,000
<b>Agricultural Homestead Non-HGA Record</b>	
EMV	\$40,000 \$38,000 Land \$2,000 Building/Other
Green Acres Deferral	\$5,000 for 39 Qualifying Acres \$5,000 Land \$0 Building/Other
TMV	\$40,000 - \$5,000 = \$35,000 \$33,000 Land \$2,000 Building/Other
NTC	\$35,000 * 0.50% = 175
RMV	\$0

All of the TMV for the house, garage and first acre is captured by the Class 1b homestead record, and the homestead market value exclusion only affects the HGA. The non-HGA portion of the parcel is calculated entirely as 2a-Agricultural Homestead so the property in this example qualifies for the full amount of Green Acres deferral and does not pay RMV levies.

### County Valuation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: Agricultural- Class 1b Homestead-HGA (A21)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$5,000

- Building/Other EMV: \$35,000
- Land TMV: \$3,000
- Building/Other TMV: \$21,000
- Fully Taxable NTC: 108
- Fully Taxable RMV: \$18,000
- Acreage: 1
- Valuation Modifier Table (1)
  - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
  - Modifier Amount: \$16,000
  - Eligible Market Value: \$40,000
- Taxable Property Table (2)
  - Property Type: Agricultural-Agricultural Homestead-Remaining or Non-HGA (A12)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$38,000
  - Building/Other EMV: \$2,000
  - Land TMV: \$33,000
  - Building/Other TMV: \$2,000
  - Fully Taxable NTC: 175
  - Fully Taxable RMV: \$0
  - Acreage: 39
  - Valuation Modifier Table (1)
    - Valuation Modifier Type Code: Green Acres Exclusion (04)
    - Modifier Amount: \$5,000
    - Eligible Market Value: \$38,000
    - Eligible Acreage: 39

## Class 1b - TMV Over \$50K with a Valuation Modifier

### Example 18

(B) Alex & Ray Res Land - \$25,000 Res Bldg - \$56,000
---

Alex and Ray are married and own a 1/4 acre parcel they claim as a residential homestead and homestead for persons who are blind or have a disability (Class 1b). The following assessment year 2018 rates are used to determine the fully taxable NTC and RMV by property type in this example:

- Class 1b Homestead NTC – up to \$50K at .45%.
  - Any value exceeding the tier must be Residential Homestead.
- Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%.
  - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
- Residential Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
  - The \$500K tier must include any utilized Class 1b homestead tier value.
- Residential Homestead RMV – all value at 100%.

This example shows a county’s submission in the Valuation tree. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

Parcel B	
<b>Total Homestead Values &amp; Exclusions</b>	
EMV	\$81,000 30.86% Land 69.14% Building/Other
Market Value prior to HMVE	\$81,000
Homestead Market Value Exclusion	\$76,000 * 40% = \$30,400 \$5,000 * 9% = \$450 \$30,400 – \$450 = \$29,950
TMV	\$81,000 – \$29,950 = \$51,050
<b>Class 1b Homestead Residential Record</b>	
TMV	\$50,000 (\$51,050 > \$50,000 tier) \$15,430 Land \$34,570 Building/Other
Homestead Market Value Exclusion	\$29,950 \$9,243 Land \$20,707 Building/Other
EMV	\$50,000 + 29,950 = \$79,950 \$24,673 Land \$55,277 Building/Other
NTC	\$50,000 * 0.45% = 225

	RMV	( \$79,950 > \$50,000 tier) \$50,000 * 45% = \$22,500 \$79,950 - \$50,000 = \$29,950 \$29,950 * 100% = \$29,950 \$22,500 + \$29,950 = \$52,450
<b>Residential Homestead Record</b>		
	EMV	\$81,000 - \$79,950 = \$1,050 \$324 Land \$726 Building/Other
Exclusions, Deferrals, and Reductions		\$0
	TMV	\$1,050 + \$0 = \$1,050 \$324 Land \$726 Building/Other
	NTC	\$1,050 * 1.00% = 11
	RMV	\$1,050 * 100% = \$1,050

Because the TMV of the homestead is above \$50,000, the value must be split between Class 1b homestead and residential homestead in PRISM. Exclusions, deferrals, and reductions are applied to the EMV in order to calculate the TMV, but Class 1b property is limited by that same TMV. As a result, the full value of the homestead market value exclusion is applied to the Class 1b portion before the residential homestead portion. Since the TMV is limited to \$50,000 and there are valuation modifiers worth \$29,950 then the EMV of the Class 1b record must be recorded as \$79,950 with the remaining \$1,050 in EMV reported as Residential Homestead. Also note that only \$50,000 of the RMV is calculated at 45% with the remainder (comprised of solely the homestead exclusion) calculated at 100%.

In almost all cases, the only exclusions that would be applied to Residential Homestead and Agricultural Homestead HGA property are the Residential Homestead Market Value Exclusion, the Exclusion for Veterans who are Disabled, and the Mold Exclusion Since the Exclusion for Veterans who are Disabled cannot be applied to Class 1b property – and the mold exclusion is relatively rare –having multiple exclusions applied to a Class 1b parcel is unlikely. If multiple exclusions do occur, remember to apply all exclusions in the correct order to the Class 1b record first, up to the full EMV, before moving on to the next record.

### *County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$24,673
    - Building/Other EMV: \$55,277
    - Land TMV: \$15,430
    - Building TMV: \$34,570
    - Fully Taxable NTC: 225
    - Fully Taxable RMV: \$52,450

- Valuation Modifier Table (1)
  - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
  - Modifier Amount: \$29,950
  - Eligible Market Value: \$81,000
- Taxable Property Table (2)
  - Property Type: Residential-Residential Homestead (D10)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$324
  - Building/Other EMV: \$726
  - Land TMV: \$324
  - Building TMV: \$726
  - Fully Taxable NTC: 11
  - Fully Taxable RMV: \$1,050

## Class 1b - TMV Over \$50K Without a Valuation Modifier

### Example 19

(C)
David & Jesse
HGA Land - \$40,000
HGA Bldg - \$480,000
2a NonHGA Land - \$280,000
Green Acres Deferral - \$60,000

David and Jesse are married and own a 30-acre parcel that they claim as an agricultural homestead and a homestead for persons who are blind or have a disability (Class 1b). The following assessment year 2018 rates are used to determine the fully taxable NTC and RMV by property type:

- Class 1b Homestead NTC – up to \$50K at .45%.
  - Any value exceeding the tier must be Agricultural Homestead.
- Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%.
  - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
- Agricultural HGA Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
  - The \$500K tier must include any utilized Class 1b homestead tier value.
- Agricultural HGA Homestead RMV – all value at 100%.
- 2a Agricultural Non-HGA Homestead NTC – first \$1.9M at 0.50%, over 1.9M at 1.00%.
  - The \$1.9M tier must include any utilized Class 1b tier on non-HGA land (if any).
- 2a Agricultural Non-HGA Homestead RMV – none.

This is an example of the county's submissions in the Valuation tree. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

Parcel C	
<b>Total Homestead Values &amp; Exclusions</b>	
EMV	\$520,000 HGA 7.69% Land 92.31% Building/Other \$280,000 Non-HGA 100.00% Land
Market Value prior to HMVE	\$520,000 HGA
Homestead Market Value Exclusion	\$76,000 * 40% = \$30,400 \$444,000 * 9% = \$39,960 \$30,400 – \$39,960 = \$0
Green Acres Exclusion	\$60,000 for 29 qualifying acres
TMV	\$520,000 - \$0 = \$520,000 HGA \$280,000 - \$60,000 = \$220,000 Non-HGA
<b>Class 1b Homestead Agricultural HGA Record</b>	
TMV	\$50,000 (\$520,000 > \$50,000 tier)

	\$50,000 \$3,845 Land \$46,155 Building/Other
Homestead Market Value Exclusion	\$0
EMV – 1b record	\$50,000 + \$0 = \$50,000 \$3,845 Land \$46,155 Building/Other
NTC	\$50,000 * 0.45% = 225
RMV	\$50,000 * 45% = \$22,500
<b>Agricultural Homestead HGA Record</b>	
EMV – 2a HGA record	\$520,000 - \$50,000 = \$470,000 \$36,143 Land \$433,857 Building/Other
Exclusions, Deferrals, and Reductions	\$0
TMV	\$470,000 - \$0 = \$470,000 \$36,143 Land \$433,857 Building/Other
NTC	\$450,000 * 1.00% = 4,500 \$20,000 * 1.25% = 250 4,500 + 250 = 4,750
RMV	\$470,000 * 100% = \$470,000
<b>Agricultural Homestead Non-HGA Record</b>	
EMV	\$280,000 \$280,000 Land \$0 Building/Other
Green Acres Deferral	\$60,000 for 29 qualifying acres
TMV	\$220,000 \$220,000 Land \$0 Building/Other
NTC	\$220,000 * 0.50% = 1,100
RMV	\$0

With zero homestead market value exclusion due to the value of the residence, the EMV and TMV of the Class 1b record are reported as \$50,000 since there were no other exclusions that affected the HGA. The remaining HGA and non-HGA portions of the parcel are then recorded as agricultural homestead. The tier limit of the agricultural homestead is reduced from \$500,000 to \$450,000 to account for the value already utilized by the Class 1b homestead record.

### County Valuation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: Agricultural-Class 1b Homestead-HGA (A21)



- Property Subtype: Real Property (A01)
- Land EMV: \$3,845
- Building/Other EMV: \$46,155
- Land TMV: \$3,845
- Building/Other TMV: \$46,155
- Fully Taxable NTC: 225
- Fully Taxable RMV: \$22,500
- Acreage: .096
- Valuation Modifier Table (1)
  - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
  - Modifier Amount: \$0
  - Eligible Market Value: \$520,000
- Taxable Property Table (2)
  - Property Type: Agricultural-Agricultural Homestead-HGA (A11)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$36,143
  - Building/Other EMV: \$433,857
  - Land TMV: \$36,143
  - Building/Other TMV: \$433,857
  - Fully Taxable NTC: 4,750
  - Fully Taxable RMV: \$470,000
  - Acreage: .904
- Taxable Property Table (3)
  - Property Type: Agricultural-Agricultural Homestead-Remaining (A12)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$280,000
  - Building/Other EMV: \$0
  - Land TMV: \$220,000
  - Building/Other TMV: \$0
  - Fully Taxable NTC: 1,100
  - Fully Taxable RMV: \$0
  - Acreage: 29
  - Valuation Modifier Table (1)
    - Valuation Modifier Type Code: Green Acres Exclusion (04)
    - Modifier Amount: \$60,000
    - Eligible Market Value: \$280,000
    - Eligible Acreage: 29

## Class 1b - TMV Over \$50K Across Multiple Parcels

### Example 20

(D) John	(E) John
Res Land - \$5,000	Res Land - \$5,000
Res Bldg - \$60,000	Res Bldg - \$20,000

John owns two contiguous 1/4-acre parcels. His residence is on one parcel, and a large garage is on the other. He is claiming a residential homestead and homestead for persons who are blind or have a disability (Class 1b). The following assessment year 2018 rates are used to determine the fully taxable NTC and RMV by property type:

- Class 1b Homestead NTC – up to \$50K at .45%.
  - Any value exceeding the tier must be Residential Homestead.
- Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%.
  - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
- Residential Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
  - The \$500K tier must include any utilized Class 1b homestead tier value.
- Residential Homestead RMV – all value at 100%.

An example of the county’s submissions in the parcel Linking, Valuation, and Taxation trees is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

Total Homestead Values & Exclusions	
EMV	\$65,000 + \$25,000 = \$90,000 Res Parcel D 7.69% Land 92.31% Building/Other Parcel E 20.00% Land 80.00% Building/Other
Market Value prior to HMVE	\$90,000 Res
Homestead Market Value Exclusion	\$76,000 * 40% = \$30,400 \$14,000 * 9% = \$1,260 \$30,400 – \$1,260 = \$29,140 Parcel D: \$29,140 (exclusion is used on Parcel D) Parcel E: \$0
TMV	Parcel D: \$65,000 - \$29,140 = \$35,860 Parcel E: \$25,000 - \$0 = \$25,000 \$35,860 + \$25,000 = \$60,860

<b>Parcel D</b>	
<b>Class 1b Homestead Residential Record</b>	
TMV	\$35,860 < \$50,000 = \$35,860 \$2,758 Land \$33,102 Building/Other
Homestead Market Value Exclusion	\$29,140 <i>\$2,242 Land</i> <i>\$26,898 Building/Other</i>
EMV – 1b record	\$35,860 + \$29,140 = \$65,000 \$5,000 Land \$60,000 Building/Other
NTC	\$35,860 * 0.45% = 161
RMV	\$50,000 (\$65,000 > \$50,000 tier) \$50,000 * 45% = \$22,500 \$65,000 - \$50,000 = \$15,000 \$15,000 * 100% = \$15,000 \$22,500 + \$15,000 = \$37,500

<b>Parcel E</b>	
<b>Class 1b Homestead Residential Record</b>	
TMV	\$14,140 (\$50,000 – \$35,860 = \$14,140 remainder of \$50,000 tier) \$2,828 Land \$11,312 Building/Other
Exclusions, Deferrals, and Reductions	\$0
EMV	\$14,140 + \$0 = \$14,140 \$2,828 Land \$11,312 Building/Other
NTC	\$14,140 * 0.45% = 64
RMV	\$14,140 * 100% = \$14,140
<b>Residential Homestead Record</b>	
EMV	\$10,860 (\$25,000 - \$14,140 = \$10,860 portion above \$50,000 tier) \$2,172 Land \$8,688 Building/Other
Exclusions, Deferrals, and Reductions	\$0
TMV	\$10,860 - \$0 = \$10,860 \$2,172 Land \$8,688 Building/Other
NTC	\$10,860 * 1.00% = 109
RMV	\$10,860 * 100% = \$10,860

Because the TMV of the total homestead is above \$50,000, the value must be split between Class 1b homestead record and residential homestead record. The full value of the homestead market value exclusion is applied to

the Class 1b portion of the base parcel. Only if the exclusion exceeded the EMV of the base parcel would it extend to the next parcel. The base parcel TMV is under \$50,000 so the entire base parcel is reported as Class 1b and only the linked parcel reports the split classification with residential homestead.

### *County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: D
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$5,000
    - Building/Other EMV: \$60,000
    - Land TMV: \$2,758
    - Building TMV: \$33,102
    - Fully Taxable NTC: 161
    - Fully Taxable RMV: \$37,500
    - Valuation Modifier Table (1)
      - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
      - Modifier Amount: \$29,140
      - Eligible Market Value: \$90,000
- Parcel Characteristics Table (2)
  - Parcel ID: E
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$2,828
    - Building/Other EMV: \$11,312
    - Land TMV: \$2,828
    - Building TMV: \$11,312
    - Fully Taxable NTC: 64
    - Fully Taxable RMV: \$14,140
  - Taxable Property Table (2)
    - Property Type: Residential-Residential Homestead (D10)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$2,172
    - Building/Other EMV: \$8,688
    - Land TMV: \$2,172
    - Building TMV: \$8,688
    - Fully Taxable NTC: 109
    - Fully Taxable RMV: \$10,860

## Class 1b - TMV Over \$50K with a Fractional Homestead

### Example 21

(F) May & June Res Land - \$25,000 Res Bldg - \$100,000 50% Homesteaded
---

May and June, unrelated individuals, equally own a 3/4-acre parcel. June is claiming as a residential homestead and homestead for persons who are blind or have a disability (Class 1b) while May is not occupying and does not homestead this property. The following assessment year 2018 rates are used to determine the fully taxable NTC and RMV by property type:

- Class 1b Homestead NTC – up to \$50K at .45%.
  - Any value exceeding the tier must be Residential Homestead.
- Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%.
  - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
- Residential Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
  - The \$500K tier must include any utilized Class 1b homestead tier value.
- Residential Homestead RMV – all value at 100%.
- Residential Non-Homestead Single Unit NTC – first \$500K at 1.00%, over \$500K at 1.25%.
- Residential Non-Homestead Single Unit RMV – all value at 100%.

An example of the county’s submissions in the Valuation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

Parcel F	
<b>Total Homestead Values &amp; Exclusions</b>	
EMV	\$125,000 Res 20.00% Land 80.00% Building/Other
Market Value prior to HMVE	\$125,000 Res
Homestead Market Value Exclusion	$\$76,000 * 40\% = \$30,400$ $\$49,000 * 9\% = \$4,410$ $\$30,400 - \$4,410 = \$25,990$ $\$25,990 * 50\% = \$12,995$
TMV	Homestead: $\$62,500 - \$12,995 = \$49,505$ Non-Homestead: $\$62,500 - \$0 = \$62,500$ Total Homestead and Non-Homestead: $\$49,505 + \$62,500 = \$112,005$
<b>Class 1b Homestead Residential Record</b>	
TMV – 1b record	$\$50,000 * 50\% = \$25,000$

		\$5,000 Land \$20,000 Building/Other
Homestead Market Value Exclusion		\$12,995 <i>\$2,599 Land</i> <i>\$10,396 Building/Other</i>
EMV		\$25,000 + \$12,995 = \$37,995 \$7,599 Land \$30,396 Building/Other
NTC		\$25,000 * 0.45% = 113
RMV		(\$37,995 > \$25,000 tier) \$25,000 * 45% = \$11,250 \$37,995 - \$25,000 = \$12,995 \$12,995 * 100% = \$12,995 \$11,250 + \$12,995 = \$24,245
<b>Residential Homestead Record</b>		
EMV		\$62,500 – \$37,995 = \$24,505 \$4,901 Land \$19,604 Building/Other
Exclusions, Deferrals, and Reductions		\$0
TMV		\$24,505 + \$0 = \$24,505 \$4,901 Land \$19,604 Building/Other
NTC		\$24,505 * 1.00% = 245
RMV		\$24,505 * 100% = \$24,505
<b>Residential Non-Homestead Record</b>		
EMV		\$62,500 \$12,500 Land \$50,000 Building/Other
Exclusions, Deferrals and Reductions		\$0
TMV		\$62,500 - \$0 = \$62,500 \$12,500 Land \$50,000 Building/Other
NTC		\$62,500 * 1.00% = 625
RMV		\$62,500 * 100% = \$62,500

A fractional Class 1b homestead value exclusion is calculated in the same manner as if it was a regular fractional homestead. The only difference is that in the reporting of the information to PRISM, the valuation exclusion is applied solely to the Class 1b record for EMV apportionment. With a 50% homestead, the Class 1b tier is also reduced from \$50,000 to \$25,000 which means the \$49,505 homestead is above the tier and must be split-classed. The residential non-homestead property is calculated and reported like any other fractionalized property record.

### County Valuation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: F

- Taxable Property Table (1)
  - Property Type: Residential-Class 1b Homestead (D20)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$7,599
  - Building/Other EMV: \$30,396
  - Land TMV: \$5,000
  - Building TMV: \$20,000
  - Fully Taxable NTC: 113
  - Fully Taxable RMV: \$24,245
  - Valuation Modifier Table (1)
    - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
    - Modifier Amount: \$12,995
    - Eligible Market Value: \$125,000
- Taxable Property Table (2)
  - Property Type: Residential-Residential Homestead (D10)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$4,901
  - Building/Other EMV: \$19,604
  - Land TMV: \$4,901
  - Building TMV: \$19,604
  - Fully Taxable NTC: 245
  - Fully Taxable RMV: \$24,505
- Taxable Property Table (3)
  - Property Type: Residential-Non-Homestead-Qualifying Single Res. Unit (D40)
  - Property Subtype: Real Property (A01)
  - Land EMV: \$12,500
  - Building/Other EMV: \$50,000
  - Land TMV: \$12,500
  - Building TMV: \$50,000
  - Fully Taxable NTC: 625
  - Fully Taxable RMV: \$62,500

## Class 1b – Linking Across Multiple Parcels When Total TMV Is 50K or Under

### Example 22

(G)	(H)
Corey	Corey
Res Land - \$33,000	Res Land - \$1,500
Res Bldg - \$35,500	Res Bldg - \$1,000

Corey owns a 1/4 acre parcel containing his residence and a sliver parcel with a shed on the other. He is claiming a residential homestead and homestead for persons who are blind or have a disability (Class 1b). The EMV of the two parcels is low enough that the homestead market value exclusion is set at 40% of the EMV (with no reductions).

The following assessment year 2020 rates are used to determine the fully taxable NTC and RMV by property type:

- Class 1b Homestead NTC – up to \$50K at .45%.
  - Any value exceeding the tier must be Residential Homestead.
- Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%.
  - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
- Residential Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
  - The \$500K tier must include any utilized Class 1b homestead tier value.
- Residential Homestead RMV – all value at 100%.

An example of the county’s submissions in the Valuation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

Total Homestead Values & Exclusions	
Estimated Market Value	\$68,500 + \$2,500 = \$71,000 Res Parcel G 48.18% Land 51.82% Building/Other Parcel H 60% Land 40% Building/Other
Market Value Prior to HMVE	\$71,000 Res
Homestead Market Value Exclusion	\$71,000 * 40% = \$28,400 Parcel G: \$28,400 (exclusion is used on Parcel G)



	Parcel H: 0
Taxable Market Value	Parcel G: \$68,500 - \$28,400 = \$40,100 Parcel H: \$2,500 - \$0 = \$2,500 \$40,100 + \$2,500 = \$42,600
<b>Parcel G</b>	
<b>Class 1b Homestead Residential Record</b>	
Taxable Market Value	\$40,100 < \$50,000 tier limit = \$40,100 \$19,320 Land \$20,780 Building/Other
Homestead Market Value Exclusion	\$28,400 \$13,683 Land \$14,717 Building/Other
Estimated Market Value	\$40,100 + \$28,400 = \$68,500 \$33,003 Land \$35,497 Building/Other
Net Tax Capacity	\$40,100 * 0.45% = 180
Referendum Market Value	\$68,500 > \$50,000 tier limit \$50,000 * 45% = \$22,500 \$68,500 - \$50,000 = \$18,500 \$18,500 * 100% = \$18,500 \$22,500 + \$18,500 = \$41,000
<b>Parcel H</b>	
<b>Class 1b Homestead Residential Record</b>	
Taxable Market Value	\$9,900 (\$50,000 – \$40,100 = \$9,900 remainder of \$50,000 tier) \$2,500 TMV < \$9,900 remainder = \$2,500 \$1,500 Land \$1,000 Building/Other
Exclusions, Deferrals, and Reductions	0
Taxable Market Value	\$2,500 – \$0 = \$2,500 \$1,500 Land \$1,000 Building/Other
Net Tax Capacity	\$2,500 * .45% = 11
Referendum Market Value	\$2,500 * 100% = \$2,500

Because the taxable market value of the total homestead is below \$50,000 both parcels are listed as Class 1b homestead records and no residential homestead record is required. The full value of the homestead market value exclusion is applied to the base parcel. While the taxable market value is below \$50,000 for both parcels, the RMV base (taxable market value prior to homestead market value exclusion) is above \$50,000 for the base parcel so only the first \$50,000 receives a 45% rate while the remaining \$18,500 of the base parcel and \$2,500 of the linked parcel are at 100%.

## County Valuation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: G
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$33,003
    - Building/Other EMV: \$35,497
    - Land TMV: \$19,320
    - Building TMV: \$20,780
    - Fully Taxable NTC: 180
    - Fully Taxable RMV: \$41,000
    - Valuation Modifier Table (1)
      - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
      - Modifier Amount: \$28,400
      - Eligible Market Value: \$71,000
- Parcel Characteristics Table (2)
  - Parcel ID: H
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$1,500
    - Building/Other EMV: \$1,000
    - Land TMV: \$1,500
    - Building TMV: \$1,000
    - Fully Taxable NTC: 11
    - Fully Taxable RMV: \$2,500

## Class 1b – Fractional Homestead Without Homestead Market Value Credit

### Example 23

(I)  Patricia & Robert  Res Land - \$110,300  Res Bldg - \$340,500
--

- Patricia and Robert, unrelated individuals, equally own a 2/3 acre parcel.
- Patricia is claiming as a residential homestead and homestead for persons who are blind or have a disability (Class 1b).
- Robert is not occupying and does not homestead this property.
- Because this is a 50% homestead, all tier limits must be reduced to 50% of the tier limit as well.

The following assessment year 2020 rates are used to determine the fully taxable NTC and RMV by property type:

- Class 1b Homestead NTC – up to \$50K at .45%.
  - Any value exceeding the tier must be Residential Homestead.
- Class 1b Homestead RMV – first \$50K at 45%, over \$50K at 100%.
  - The value that exceeds \$50K is due solely to Homestead Market Value Exclusion.
- Residential Homestead NTC – first \$500K at 1.00%, over \$500K at 1.25%.
  - The \$500K tier must include any utilized Class 1b homestead tier value.
- Residential Homestead RMV – all value at 100%.
- Residential Non-Homestead Single Unit NTC – first \$500K at 1.00%, over \$500K at 1.25%.
- Residential Non-Homestead Single Unit RMV – all value at 100%.

An example of the county’s submissions in the Valuation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

Parcel I	
Total Homestead Values & Exclusions	
Estimated Market Value	\$450,800 Res \$110,300 or 24.47% Land \$340,500 or 75.53% Building/Other
Market Value Prior to HMVE	\$450,800 Res
Homestead Market Value Exclusion	\$76,000 * 40% = \$30,400 \$374,800 * 9% = \$33,732 \$30,400 - \$33,732 = \$-3,332 so HMVE = \$0 \$0 * 50% = \$0

Taxable Market Value	Homestead: $\$225,400 - \$0 = \$225,400$ Non-Homestead: $\$225,400 - \$0 = \$225,400$ Total Homestead and Non-Homestead: $\$225,400 + \$225,400 = \$450,800$
<b>Class 1b Homestead Residential Record</b>	
Taxable Market Value	$\$50,000 * 50\% = \$25,000$ Tier Limit $\$225,400 > \$25,000 = \$25,000$ \$6,117 Land \$18,883 Building/Other
Homestead Market Value Exclusion	\$0
Estimated Market Value	$\$25,000 + \$0 = \$25,000$ \$6,117 Land \$18,883 Building/Other
Net Tax Capacity	$\$25,000 * 0.45\% = 113$
Referendum Market Value	$\$25,000 * 45\% = \$11,250$
<b>Residential Homestead Record</b>	
Estimated Market Value	$\$225,400 - \$25,000 = \$200,400$ \$49,033 Land \$151,367 Building/Other
Exclusions, Deferrals, and Reductions	\$0
Taxable Market Value	$\$200,400 - \$0 = \$200,400$ \$49,033 Land \$151,367 Building/Other
Net Tax Capacity	$\$200,400 * 1.00\% = 2,004$
Referendum Market Value	$\$200,400 * 100\% = \$200,400$
<b>Residential Non-Homestead Record</b>	
Estimated Market Value	\$225,400 \$55,150 Land \$170,250 Building/Other
Exclusions, Deferrals, and Reductions	\$0
Taxable Market Value	$\$225,400 - \$0 = \$225,400$ \$55,150 Land \$170,250 Building/Other
Net Tax Capacity	$\$225,400 * 1.00\% = 2,254$
Referendum Market Value	$\$225,400 * 100\% = \$225,400$

A fractional Class 1b homestead value exclusion is calculated in the same manner as if it was a regular fractional homestead. The only difference is that in the reporting of the information to PRISM, the valuation exclusion is applied solely to the Class 1b record for EMV apportionment. With a 50% homestead, the Class 1b tier is also reduced from \$50,000 to \$25,000 which means the \$225,400 homestead is above the tier and must be split classed; however, since the \$225,400 is less than the \$250K tier limit (\$500K times 50%) for residential homestead property the remaining NTC is at 1.00% and RMV at 100%. The residential non-homestead property is calculated and reported like any other fractionalized property record. Notice that due to the large EMV there

was no Residential Homestead Market Value Exclusion applied; however, if there was exclusion applied it would be applied solely to the Class 1b Homestead residential record, so it is still reported as zero.

### *County Valuation Tree*

- Parcel Characteristics Table (1)
  - Parcel ID: I
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$6,117
    - Building/Other EMV: \$18,883
    - Land TMV: \$6,117
    - Building TMV: \$18,883
    - Fully Taxable NTC: 113
    - Fully Taxable RMV: \$11,250
    - Valuation Modifier Table (1)
      - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
      - Modifier Amount: \$0
      - Eligible Market Value: \$450,800
  - Taxable Property Table (2)
    - Property Type: Residential-Residential Homestead (D10)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$49,033
    - Building/Other EMV: \$151,367
    - Land TMV: \$49,033
    - Building TMV: \$151,367
    - Fully Taxable NTC: 2,004
    - Fully Taxable RMV: \$200,400
  - Taxable Property Table (2)
    - Property Type: Residential- Non-Homestead-Qualifying Single Res. Unit (D40)
    - Property Subtype: Real Property (A01)
    - Land EMV: \$55,150
    - Building/Other EMV: \$170,250
    - Land TMV: \$55,150
    - Building TMV: \$170,250
    - Fully Taxable NTC: 2,254
    - Fully Taxable RMV: \$225,400

# Tax Distribution Reporting by Parcel

## Summary

This section covers reporting the gross tax of a parcel, the net taxes that were apportioned, and any corresponding taxation modifiers that may apply. These reporting instructions will not detail how to calculate the various taxes and taxation modifiers, so the amounts used in these examples may be quite simplistic or not calculated in the same manner as in your county.

We created this method of reporting the tax distribution of a parcel when we discovered that counties and their software vendors were using several methods for the apportionment of net taxes and taxation modifiers, producing differing results. Minnesota Department of Revenue currently does not require counties to alter their methodology. By reporting the distribution amounts directly, it will ensure that the data is collected in the exact way that each county is utilizing. This should also reduce any rounding errors on the part of Revenue.

Refer to the most recent version of the PRISM File Layout when reading this document, as it gives a better visual representation of how the data appears. The three Taxation tree tables that will be shown in the examples are as follows:

### *B300: Parcel Characteristics Table*

The Parcel Characteristics table will capture the gross taxes of a parcel. These taxes are usually calculated by multiplying different NTC and RMV rates by differing taxation rates to arrive at a total gross tax value for that NTC or RMV. The focus of these examples will include the gross local NTC tax, gross RMV tax, gross state NTC tax and gross TIF tax. While the fiscal disparity contribution tax and power line contribution tax are also calculated in this manner, they are not apportioned out to different tax distribution entities or have taxation modifiers applied. As a result, the gross tax is equal to the net tax so further breakdowns are not necessary.

### *B305: Net Tax Distribution Table*

The Net Tax Distribution table reports the apportionment of the total net tax to their applicable tax distribution types (i.e. county, city/township, school district, special taxing district, TIF district, and the State of Minnesota). If the net tax distribution is to a special taxing district, the district must also be recorded and each tax distribution type code and special taxing district code (if the parcel is in multiple special taxing districts) combination should only be reported once per parcel. While these examples will include the net local net tax capacity (NTC) tax, net referendum market value (RMV) tax, net state NTC tax, and net TIF tax, the tax distribution type will determine the net tax reported.

If taxation modifiers reduce the net tax received by a tax distribution type down to zero, then zero must be reported.

### *B310: Taxation Modifiers Table*

The Taxation Modifiers table captures the different taxation modifiers that each tax distribution type had applied to arrive at their net taxes. Please refer to the section on taxation modifiers in the PRISM Instructions regarding how to report each taxation modifier type. Ideally the sum of all individual

taxation modifiers and their respective net taxes will equal the gross tax in question, prior to apportionment.

These instructions do not affect the taxes reported for power lines taxed at the county-wide average rate in the Taxing Authority tree. The gross tax is equal to the net tax, as there are no applicable taxation modifiers to apply, and the distribution of these taxes is handled differently than property taxed at a local level.

We have created several examples to show the breakdown of these records depending on property types, tax distribution entities involved, and taxation modifiers utilized. Use this document to determine how to report the gross taxes, net taxes, and taxation modifier in PRISM. Since these examples are to show how tax distribution is reported for a parcel, a full data submission is not given in the examples. As a result, the calculations used for gross tax, net tax, and taxation modifier distribution for a parcel are not the focus of these instructions. If needed, use the [Property Tax Administrator's Manual](#) to determine the calculation of these amounts. If you need further clarification of a reporting issue in your county, contact the PRISM team at [prism.mdor@state.mn.us](mailto:prism.mdor@state.mn.us).

## Local NTC and RMV Taxes with no Taxation Modifiers

### Example 24

(A) Jonah Gross local NTC Tax - \$1,200 Gross RMV Tax - \$125
--

Jonah owns a residential homestead parcel and does not receive any credits on his property. The local school district has an RMV tax and the parcel is also located within two special taxing districts: a watershed and a hospital district. He does not have any special assessments on his property.

- The Gross local NTC taxes apportioned to each tax distribution type are as follows:
  - County = \$552.00 (46%)
  - City = \$216.00 (18%)
  - School District = \$372.00 (31%)
  - Watershed District = \$24.00 (2%)
  - Hospital District = \$36.00 (3%)
- The Net RMV taxes apportioned to each tax distribution type are as follows:
  - School District = \$125.00 (100%)

An example of the county's submissions in the Taxation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

### County Taxation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Gross local NTC Tax: \$1,200.00
  - Gross RMV Tax: \$125.00
  - Net Tax Distribution Table (1)
    - Tax Distribution Type Code: 01 (County)
    - Net Local NTC Tax: \$552.00
  - Net Tax Distribution Table (2)
    - Tax Distribution Type Code: 02 (City/Township)
    - Net Local NTC Tax: \$216.00
  - Net Tax Distribution Table (3)
    - Tax Distribution Type Code: 03 (School District)
    - Net Local NTC Tax: \$372.00
    - Net RMV Tax: \$125.00
  - Net Tax Distribution Table (4)



- Tax Distribution Type Code: 04 (Special Taxing District)
- Special Taxing District Code: 755 (Watershed District)
- Net Local NTC Tax: \$24.00
- Net Tax Distribution Table (5)
  - Tax Distribution Type Code: 04 (Special Taxing District)
  - Special Taxing District Code: 878 (Hospital District)
  - Net Local NTC Tax: \$36.00

Because there are no credits, there are no taxation modifiers to be reported and the sum of the apportioned net local NTC taxes is equal to their corresponding gross local NTC taxes. Since only the school district had RMV levies then only the school district reported net RMV tax, but you can see that it is reported under the same Net Tax Distribution table as the net local NTC tax.

## Local NTC Taxes with Taxation Modifiers

### Example 25

(B)
Amy
Gross local NTC tax - \$2,500
Ag. Hmstd. credit - \$490
School Bond credit - \$195

Amy owns an agricultural homestead parcel that does not contain a House, Garage and 1<sup>st</sup> acre and receives both the School Bond credit and the full Agricultural Homestead credit on her property. The local school district does have RMV tax, but due to the property type no RMV is required on the property. The parcel is also located within two special taxing districts: a watershed and a hospital district. She does not have any special assessments on her property.

- The Gross local NTC taxes apportioned to each tax distribution type are as follows:
  - County = \$1,150.00 (46%)
  - City = \$450.00 (18%)
  - School District = \$775.00 (31%)
  - Watershed District = \$50.00 (2%)
  - Hospital District = \$75.00 (3%)
- The Agricultural Homestead credit is apportioned to each tax distribution type as follows:
  - County = \$225.40
  - City = \$88.20
  - School District = \$151.90
  - Watershed District = \$9.80
  - Hospital District = \$14.70
- The School Bond credit is applied solely to the School District tax distribution type
  - School District = \$195.00

An example of the county's submissions in the Taxation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included. Also, if taxation modifiers reduce the net tax received by a tax distribution type down to zero then zero must be reported.

### County Taxation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: B
  - Gross local NTC Tax: \$2,500.00
  - Gross RMV Tax: \$0
  - Net Tax Distribution Table (1)
    - Tax Distribution Type Code: 01 (County)

- Net Local NTC Tax: \$924.60 (\$1,150.00 - \$225.40)
- Taxation Modifiers Table (1)
  - Taxation Modifier Type Code: 02 – Agricultural Homestead credit
  - NTC Modifier Amount: \$225.40
- Net Tax Distribution Table (2)
  - Tax Distribution Type Code: 02 (City/Township)
  - Net Local NTC Tax: \$361.80 (\$450.00 - \$88.20)
  - Taxation Modifiers Table (1)
    - Taxation Modifier Type Code: 02 – Agricultural Homestead credit
    - NTC Modifier Amount: \$88.20
- Net Tax Distribution Table (3)
  - Tax Distribution Type Code: 03 (School District)
  - Net Local NTC Tax: \$428.10 (\$775.00 - 195.00 - \$151.90)
  - Taxation Modifiers Table (1)
    - Taxation Modifier Type Code: 25 – School Bond credit
    - NTC Modifier Amount: \$195.00
  - Taxation Modifiers Table (2)
    - Taxation Modifier Type Code: 02 – Agricultural Homestead credit
    - NTC Modifier Amount: \$151.90
- Net Tax Distribution Table (4)
  - Tax Distribution Type Code: 04 (Special Taxing District)
  - Special Taxing District Code: 755 (Watershed District)
  - Net Local NTC Tax: \$40.20 (\$50.00 - \$9.80)
  - Taxation Modifiers Table (1)
    - Taxation Modifier Type Code: 02 – Agricultural Homestead credit
    - NTC Modifier Amount: \$9.80
- Net Tax Distribution Table (5)
  - Tax Distribution Type Code: 04 (Special Taxing District)
  - Special Taxing District Code: 878 (Hospital District)
  - Net Local NTC Tax: \$60.30 (\$75.00 - \$14.70)
  - Taxation Modifiers Table (1)
    - Taxation Modifier Type Code: 02 – Agricultural Homestead credit
    - NTC Modifier Amount: \$14.70

With the apportionment of the taxation modifiers assigned to each taxation modifier type you can see that the sum of each net tax and applicable taxation modifiers is equal to the gross tax. Because the school district had two separate credits there were two taxation modifiers tables reported while all other tax distribution entities only had one. Since the gross RMV tax was zero it must be reported, but it does not have to have a Net Tax Distribution as there is nothing to distribute.

## Local NTC, State NTC, and RMV Taxes with no Taxation Modifiers

### Example 26

(C) Trapezoid Inc. Gross local NTC tax - \$13,500 Gross RMV tax - \$890 Gross state NTC tax - \$12,000
--

Trapezoid, Inc. owns a commercial parcel and does not receive any credits on its property. The local school district does have an RMV tax and the parcel is also located within two special taxing districts: a watershed and a hospital district. The parcel does not have any special assessments on the property.

- The Gross local NTC taxes apportioned to each tax distribution type are as follows:
  - County = \$6,210.00 (46%)
  - City = \$2,430.00 (18%)
  - School District = \$4,185.00 (31%)
  - Watershed District = \$270.00 (2%)
  - Hospital District = \$405.00 (3%)
- The Gross RMV taxes apportioned to each tax distribution type are as follows:
  - School District = \$890.00 (100%)
- The Gross state NTC taxes is apportioned only to the state:
  - State of Minnesota = \$12,000.00 (100%)

An example of the county's submissions in the Taxation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

### County Taxation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Gross local NTC Tax: \$13,500.00
  - Gross RMV Tax: \$890.00
  - Gross state NTC Tax: \$12,000.00
  - Net Tax Distribution Table (1)
    - Tax Distribution Type Code: 01 (County)
    - Net Local NTC Tax: \$6,210.00
  - Net Tax Distribution Table (2)
    - Tax Distribution Type Code: 02 (City/Township)
    - Net Local NTC Tax: \$2,430.00
  - Net Tax Distribution Table (3)

- Tax Distribution Type Code: 03 (School District)
- Net Local NTC Tax: \$4,185.00
- Net RMV Tax: \$890.00
- Net Tax Distribution Table (4)
  - Tax Distribution Type Code: 04 (Special Taxing District)
  - Special Taxing District Code: 755 (Watershed District)
  - Net Local NTC Tax: \$270.00
- Net Tax Distribution Table (5)
  - Tax Distribution Type Code: 04 (Special Taxing District)
  - Special Taxing District Code: 878 (Hospital District)
  - Net Local NTC Tax: \$405.00
- Net Tax Distribution Table (6)
  - Tax Distribution Type Code: 06 (State of Minnesota)
  - Net State NTC Tax: \$12,000.00

The net tax distribution is handled the same way as the first example (Example 24) with the addition of the State of Minnesota Distribution type. This distribution type can only report net state NTC tax, which no other distribution type can receive. Currently, the only taxation modifier that can reduce the gross state NTC tax is the state levy abatement for qualifying intrastate natural gas pipelines; however, this could change in the future. While the local option disaster abatement can also reduce the gross state NTC tax, this abatement is not tracked by PRISM.

## Local NTC, State NTC, and RMV Taxes for a TIF District Parcel with Taxation Modifiers

### Example 27

(D)
Triangle Inc.
Gross local NTC tax - \$725
Gross RMV tax - \$375
State NTC tax - \$5,750
Gross TIF tax - \$6,525
Disparity Reduction credit - \$6,975

Triangle Inc. owns a commercial parcel that is located within a TIF District that collects the majority of the tax of the parcel. For simplicity, assume that there is no Fiscal Disparities for this county. Since the parcel is also located within a qualifying border city it qualifies for the Disparity Reduction credit as well. The local school district does have an RMV tax and the parcel is also located within two special taxing districts: a watershed and a hospital district. She does not have any special assessments on his property.

- The Gross local NTC taxes apportioned to each tax distribution type are as follows:
  - County = \$333.50 (46%)
  - City = \$130.50 (18%)
  - School District = \$224.75 (31%)
  - Watershed District = \$14.50 (2%)
  - Hospital District = \$21.75 (3%)
- The Gross RMV taxes apportioned to each tax distribution type are as follows:
  - School District = \$375.00 (100%)
- The Gross state NTC tax is apportioned only to the state:
  - State of Minnesota = \$5,750.00 (100%)
- The Gross TIF NTC tax is apportioned only to the TIF District:
  - TIF District = \$6,525.00 (100%)
- The \$6,975 Disparity Reduction credit is apportioned to each tax distribution type as follows:
  - County = \$320.84
  - City = \$125.55
  - School District = \$216.23
  - Watershed District = \$13.95
  - Hospital District = \$20.93
  - TIF District = \$6,277.50

An example of the county's submissions in the Taxation tree is shown below. Anything in parentheses would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included. Also, if taxation modifiers reduce the net tax received by a tax distribution type down to zero then zero must be reported.

## County Taxation Tree

- Parcel Characteristics Table (1)
  - Parcel ID: D
  - Gross local NTC Tax: \$725.00
  - Gross RMV Tax: \$375.00
  - Gross state NTC Tax: \$5,750
  - Gross TIF Tax: \$6,525
  - Net Tax Distribution Table (1)
    - Tax Distribution Type Code: 01 (County)
    - Net Local NTC Tax: \$12.66 (\$333.50 - \$320.84)
    - Taxation Modifiers Table (1)
      - Taxation Modifier Type Code: 06 – Disparity Reduction credit
      - NTC Modifier Amount: \$320.84
  - Net Tax Distribution Table (2)
    - Tax Distribution Type Code: 02 (City/Township)
    - Net Local NTC Tax: \$4.95 (\$130.50 - \$125.55)
    - Taxation Modifiers Table (1)
      - Taxation Modifier Type Code: 06 – Disparity Reduction credit
      - NTC Modifier Amount: \$125.55
  - Net Tax Distribution Table (3)
    - Tax Distribution Type Code: 03 (School District)
    - Net Local NTC Tax: \$8.52 (\$224.75 - \$216.23)
    - Net RMV Tax: \$125.00
    - Taxation Modifiers Table (1)
      - Taxation Modifier Type Code: 06 – Disparity Reduction credit
      - NTC Modifier Amount: \$216.23
  - Net Tax Distribution Table (4)
    - Tax Distribution Type Code: 04 (Special Taxing District)
    - Special Taxing District Code: 755 (Watershed District)
    - Net Local NTC Tax: \$0.55 (\$14.50 – \$13.95)
    - Taxation Modifiers Table (1)
      - Taxation Modifier Type Code: 06 – Disparity Reduction credit
      - NTC Modifier Amount: \$13.95
  - Net Tax Distribution Table (5)
    - Tax Distribution Type Code: 04 (Special Taxing District)
    - Special Taxing District Code: 878 (Hospital District)
    - Net Local NTC Tax: \$0.82 (\$21.75 - \$20.93)
    - Taxation Modifiers Table (1)
      - Taxation Modifier Type Code: 06 – Disparity Reduction credit
      - NTC Modifier Amount: \$20.93
  - Net Tax Distribution Table (6)
    - Tax Distribution Type Code: 06 (State of Minnesota)

- Net State NTC Tax: \$5,750.00
- Net Tax Distribution Table (7)
  - Tax Distribution Type Code: 05 (TIF District)
  - Net TIF Tax: \$247.50 (\$6,525 - \$6,277.50)
  - Taxation Modifiers Table (1)
    - Taxation Modifier Type Code: 26 – TIF Disparity Reduction credit
    - NTC Modifier Amount: \$6,277.50

The net tax distribution for local NTC tax, RMV tax and state NTC tax is handled the same way as in previous examples, except by also being within a TIF district there is also a TIF District Distribution Type code. This distribution type can only report net TIF tax and receive TIF credits, which no other distribution type can receive.