SECTION 10-5 Real Estate Taxes

When you own a home, you will have to pay city or county real estate taxes. The amount of real estate tax that you pay in 1 year depends on the assessed value of your property and the tax rate. The assessed value is found by multiplying the market value of your property by the rate of assessment. Your tax rate may be expressed in mills per dollar of valuation. A mill is $0.001.

Assessed Value = Rate of Assessment × Market Value

Real Estate Tax = Tax Rate × Assessed Value

1. The Mariaskis' home is located in a community where the rate of assessment is 45 percent of the market value. The tax is $65 per $1,000 of assessed value. The Mariaskis' home has a market value of $97,400.

   a. What is the assessed value? _____

   b. What is the yearly real estate tax? _____

2. The rate of assessment in Fulton County is 35 percent. The tax rate is 81.31 mills. What is the real estate tax on a piece of property that has a market value of $238,500? _____

3. Ron and Barbara Lugo live in a city where the tax rate is 83.21 mills. The rate of assessment is 30 percent. The property that the Lugos own has a market value of $367,500. What is their real estate tax for a year? _____

4. Peter and Camilla Myers live in a home with a market value of $124,750. The rate of assessment is 40 percent and the tax rate is 112.8 mills. What is the Myers's real estate tax for a year? _____

5. You live in a home in Bloom County. Your home has a market value of $80,000. Your rate of assessment is 45 percent. You pay total property taxes of 56.79 mills. Complete the form below to see how your property tax bill is distributed.

Purpose of Tax	Tax Rate in Mills	Real Estate Tax
County:		
County general fund	2.35	$ _____
County parks	.50	_____
Mental health levy	1.20	_____
Children's health program	1.55	_____
Transportation system	2.14	_____
Schools:		
Local school	32.50	_____
Vocational school	3.20	_____
School building bonds	9.95	_____
Others:		
Corporation—city	2.40	_____
Police/fire pension fund	1.00	_____
Total _____		Total $ _____