

**Table 2
Mills Act Property Tax Calculator**

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$450,000
Total Property Tax (1)	1.2000%	\$5,400
Property Type (1=Residential, 2=Commercial)	1 Residential	
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$2.00 /sq.ft./ month	
Leaseable Area	2,500 square feet	
Annual Rent		\$60,000
(less) Annual Expenses (2)	25% of Annual Rent	<u>(\$15,000)</u>
Net Annual Income		\$45,000
<u>Capitalization Rate</u>		
Interest (3)	3.7500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	<u>1.2000%</u>	
Total, Cap Rate (Land)	8.9500%	
Amortization (5)	<u>1.6667%</u>	
Total, Cap Rate (Improvements)	10.6167%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	10.2833%	
Assessed Value (based on Mills Act)		\$437,601
Total Property Tax	1.2000%	\$5,251
CHANGE IN TAXES		
Decrease due to Mills Act		(\$149)
Change compared to Current Taxes		-3%

- (1) Total property tax rate maybe greater than 1 percent due to tax overrides.
Total rate may vary slightly year-to-year, and depends on specific location.
Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Assumes approximately 25 percent of income goes to property maintenance and other operating exp
- (3) 2016-2017 State Board of Equalization Mills Act interest rate.
- (4) Risk component is 2 percent for commercial properties and 4 percent for residential properties.
- (5) Amortizes improvements over 60 years.
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized.

**Table 3
Mills Act Property Tax Calculator**

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$750,000
Total Property Tax (1)	1.2000%	\$9,000
Property Type (1=Residential, 2=Commercial)	1 Residential	
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$2.00 /sq.ft./ month	
Leaseable Area	2,500 square feet	
Annual Rent		\$60,000
(less) Annual Expenses (2)	25% of Annual Rent	<u>(\$15,000)</u>
Net Annual Income		\$45,000
<u>Capitalization Rate</u>		
Interest (3)	3.7500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	<u>1.2000%</u>	
Total, Cap Rate (Land)	8.9500%	
Amortization (5)	<u>1.6667%</u>	
Total, Cap Rate (Improvements)	10.6167%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	10.2833%	
Assessed Value (based on Mills Act)		\$437,601
Total Property Tax	1.2000%	\$5,251
CHANGE IN TAXES		
Decrease due to Mills Act		(\$3,749)
Change compared to Current Taxes		-42%

- (1) Total property tax rate maybe greater than 1 percent due to tax overrides.
Total rate may vary slightly year-to-year, and depends on specific location.
Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Assumes approximately 25 percent of income goes to property maintenance and other operating exp
- (3) 2016-2017 State Board of Equalization Mills Act interest rate.
- (4) Risk component is 2 percent for commercial properties and 4 percent for residential properties.
- (5) Amortizes improvements over 60 years.
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized.

**Table 4
Mills Act Property Tax Calculator**

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$1,000,000
Total Property Tax (1)	1.2000%	\$12,000
Property Type (1=Residential, 2=Commercial)	1 Residential	
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$2.00 /sq.ft./ month	
Leaseable Area	2,500 square feet	
Annual Rent		\$60,000
(less) Annual Expenses (2)	25% of Annual Rent	(\$15,000)
Net Annual Income		\$45,000
<u>Capitalization Rate</u>		
Interest (3)	3.7500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	1.2000%	
Total, Cap Rate (Land)	8.9500%	
Amortization (5)	1.6667%	
Total, Cap Rate (Improvements)	10.6167%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	10.2833%	
Assessed Value (based on Mills Act)		\$437,601
Total Property Tax	1.2000%	\$5,251
CHANGE IN TAXES		
Decrease due to Mills Act		(\$6,749)
Change compared to Current Taxes		-56%

- (1) Total property tax rate maybe greater than 1 percent due to tax overrides.
Total rate may vary slightly year-to-year, and depends on specific location.
Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Assumes approximately 25 percent of income goes to property maintenance and other operating exp
- (3) 2016-2017 State Board of Equalization Mills Act interest rate.
- (4) Risk component is 2 percent for commercial properties and 4 percent for residential properties.
- (5) Amortizes improvements over 60 years.
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized.

**Table 5
Mills Act Property Tax Calculator**

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$1,500,000
Total Property Tax (1)	1.2000%	\$18,000
Property Type (1=Residential, 2=Commercial)	1 Residential	
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$2.00 /sq.ft./ month	
Leaseable Area	2,500 square feet	
Annual Rent		\$60,000
(less) Annual Expenses (2)	25% of Annual Rent	<u>(\$15,000)</u>
Net Annual Income		\$45,000
<u>Capitalization Rate</u>		
Interest (3)	3.7500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	<u>1.2000%</u>	
Total, Cap Rate (Land)	8.9500%	
Amortization (5)	<u>1.6667%</u>	
Total, Cap Rate (Improvements)	10.6167%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	10.2833%	
Assessed Value (based on Mills Act)		\$437,601
Total Property Tax	1.2000%	\$5,251
CHANGE IN TAXES		
Decrease due to Mills Act		(\$12,749)
Change compared to Current Taxes		-71%

- (1) Total property tax rate maybe greater than 1 percent due to tax overrides.
Total rate may vary slightly year-to-year, and depends on specific location.
Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Assumes approximately 25 percent of income goes to property maintenance and other operating exp
- (3) 2016-2017 State Board of Equalization Mills Act interest rate.
- (4) Risk component is 2 percent for commercial properties and 4 percent for residential properties.
- (5) Amortizes improvements over 60 years.
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized.

**Table 6
Mills Act Property Tax Calculator**

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$2,500,000
Total Property Tax (1)	1.2000%	\$30,000
Property Type (1=Residential, 2=Commercial)	1 Residential	
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$2.00 /sq.ft./ month	
Leaseable Area	2,500 square feet	
Annual Rent		\$60,000
(less) Annual Expenses (2)	25% of Annual Rent	<u>(\$15,000)</u>
Net Annual Income		\$45,000
<u>Capitalization Rate</u>		
Interest (3)	3.7500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	<u>1.2000%</u>	
Total, Cap Rate (Land)	8.9500%	
Amortization (5)	<u>1.6667%</u>	
Total, Cap Rate (Improvements)	10.6167%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	10.2833%	
Assessed Value (based on Mills Act)		\$437,601
Total Property Tax	1.2000%	\$5,251
CHANGE IN TAXES		
Decrease due to Mills Act		(\$24,749)
Change compared to Current Taxes		-82%

- (1) Total property tax rate maybe greater than 1 percent due to tax overrides.
Total rate may vary slightly year-to-year, and depends on specific location.
Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Assumes approximately 25 percent of income goes to property maintenance and other operating exp
- (3) 2016-2017 State Board of Equalization Mills Act interest rate.
- (4) Risk component is 2 percent for commercial properties and 4 percent for residential properties.
- (5) Amortizes improvements over 60 years.
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized.

**Table 7
Mills Act Property Tax Calculator**

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$3,000,000
Total Property Tax (1)	1.2000%	\$36,000
Property Type (1=Residential, 2=Commercial)	1 Residential	
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$2.00 /sq.ft./ month	
Leaseable Area	2,500 square feet	
Annual Rent		\$60,000
(less) Annual Expenses (2)	25% of Annual Rent	<u>(\$15,000)</u>
Net Annual Income		\$45,000
<u>Capitalization Rate</u>		
Interest (3)	3.7500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	<u>1.2000%</u>	
Total, Cap Rate (Land)	8.9500%	
Amortization (5)	<u>1.6667%</u>	
Total, Cap Rate (Improvements)	10.6167%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	10.2833%	
Assessed Value (based on Mills Act)		\$437,601
Total Property Tax	1.2000%	\$5,251
CHANGE IN TAXES		
Decrease due to Mills Act		(\$30,749)
Change compared to Current Taxes		-85%

- (1) Total property tax rate maybe greater than 1 percent due to tax overrides.
Total rate may vary slightly year-to-year, and depends on specific location.
Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Assumes approximately 25 percent of income goes to property maintenance and other operating exp
- (3) 2016-2017 State Board of Equalization Mills Act interest rate.
- (4) Risk component is 2 percent for commercial properties and 4 percent for residential properties.
- (5) Amortizes improvements over 60 years.
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized.