How To Compute The Value of One Mill, And The Impact Of Tax Dollars And Assessed Mill Rates

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To Compute the Value of One Mill

Example #1 and Formula

This example allows you to compute a mill rate. Simply input in the green area the total assessed valuation municipality.

Formula:

Assessed valuation = X
X / 1000 = value of one mill

Computation of Example: $312,000,000 (assessed valuation) / 1000 = $312,000 (value of 1 mill)

In this example, one mill for the municipality will generate $312,000 in taxes.

Input the assessed valuation: = \$312,000,000

\$312,000,000 / 1000 = \$312,000.00

Formula:

\$312,000,000 (assessed valuation) / 1000 = \$312,000.00 (value of 1 mill)
To Determine a Mill Rate Increase

Example #2 and Formula

Example #2 allows you to compute the impact on mill rate by a specific dollar amount of property tax. This useful at a budget hearing when the governing body is making small adjustments to one or more property tax; would like to know the impact of those changes on the total mill rate. As with the first example, input the assessed valuation in the first green box, and with the second green box input the amount of property tax consideration.

Computation of Example:

The first step is to determine the value of one mill:

\[
\frac{312,000,000}{1000} = 312,000.00
\]

In the next step, we will determine the increase:

\[
\frac{50,000}{312,000.00} = 0.160
\]

### Formula:

\[
\frac{312,000,000}{1000} = 312,000.00 \text{ (value of 1 mill)}
\]

\[
\frac{50,000}{312,000.00} = 0.160 \text{ (mill rate increase)}
\]
Computation of Example:

The first step is to determine the mill rate:
$312,000,000 / 1000 = $312,000 (example #1)
$50,000 / $312,000 = 0.160 mills (example #2)

The second step is to determine the residential property assessed value:
$100,000 home x .115 = $11,500 (assessed value)

The last step is to determine the property tax increase:
$11,500 (assessed value) x 0.160 (mill rate) / 1000 = $1.84
The increase in property tax for a $100,000 home will be $1.84

**Example #3a and Formula**

Example #3a allows you to quickly compute the standard "impact of a property tax increase on a $100,000 home" or other residential property value, for that matter. Using the same information as in example #2, the additional information to input in this example is a residential property value. Additionally, residential property is assessed value. (K.S.A. 79-1439(b)(1)(A)).

**Formula:**

First Step: $(assessed\ value) = \frac{312,000,000}{1000} = \$312,000.00 \ (value\ of\ 1\ mill)$

Second Step: $(increased\ prop.\ tax) = \frac{50,000}{312,000.00} = 0.160 \ (increase\ in\ mill\ rate)$

Third Step: $(value\ of\ the\ home) = 100,000 \times 0.115 = \$11,500.00 \ (assessed\ value)$

Result: $(increased\ tax) = \frac{11,500.00 \times 0.160}{1000} = \$1.84$
Example #3b uses the same computation as example #3a, except in this case we are computing the impact of a property tax increase on unimproved agricultural land. Unimproved agricultural land is assessed at 30% pursuant to K.S.A. 79-143.

**Formula:**

<table>
<thead>
<tr>
<th>Step</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>( \frac{312,000,000}{1000} )</td>
<td>( $312,000.00 ) (value of 1 mill)</td>
</tr>
<tr>
<td>Second</td>
<td>( \frac{50,000}{312,000} )</td>
<td>0.160 (increase in mill rate)</td>
</tr>
<tr>
<td>Third</td>
<td>( 2,500,000 \times 0.300 )</td>
<td>( $750,000.00 ) (assessed value)</td>
</tr>
<tr>
<td>Result</td>
<td>( \frac{750,000.00 \times 0.160}{1000} )</td>
<td>( $120.19 )</td>
</tr>
</tbody>
</table>

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Example #3c uses the same computation as examples #3a and #3b, except in this case we are computing the impact of a property tax increase on commercial, industrial, railroad, and improved agricultural land. The foregoing categories are assessed at 25% pursuant to K.S.A. 79-1439(b)(1)(F)).

**Formula:**

<table>
<thead>
<tr>
<th>Step</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>( \frac{312,000,000}{1000} )</td>
<td>( $312,000.00 ) (value of 1 mill)</td>
</tr>
<tr>
<td>Second</td>
<td>( \frac{50,000}{312,000} )</td>
<td>0.160 (increase in mill rate)</td>
</tr>
<tr>
<td>Third</td>
<td>( 2,500,000 \times 0.250 )</td>
<td>( $625,000.00 ) (assessed value)</td>
</tr>
<tr>
<td>Result</td>
<td>( \frac{625,000.00 \times 0.160}{1000} )</td>
<td>( $100.16 )</td>
</tr>
</tbody>
</table>
To compute the impact of all mills to be levied against a specific home valuation, simply key in the "value of area with the home valuation, and the total mill rate in the "total mill rate" green area (number at bottom of Rate' column on the budget summary page). Remember, a computation using the above described information into account taxes that may be levied by other municipalities.

**Example #4 and Formula**

<table>
<thead>
<tr>
<th>Formula:</th>
<th>(value of the home)</th>
<th>(residential %)</th>
<th>(assessed value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Step:</td>
<td>$100,000 x 0.115 = $11,500.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Step:</td>
<td>$11,500.00 x 52.869 / 1000 = $607.99</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Example #5 and Formula**

Maybe your governing body wants the budget to have the same mill rate as the year before. This is not an easy task for municipality governing bodies. To do so simply key in the desired mill rate in the first green box, the preliminary assessed valuation in the second green box, and hit "enter." The result will be the amount in dollars that your municipality (total tax levy funds) in your proposed budget.

<table>
<thead>
<tr>
<th>Formula:</th>
<th>(desired mill rate)</th>
<th>(total assd. valuation)</th>
<th>(total t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$52.869 x $312,000,000 / 1000 = $16,4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
example might be
ax funds and
municipality's total
ollars under
some" (or any
nal piece of
essed at 11.5% of
of property taxes §9(b)(1)(B).

and

the impact of a of land are
<table>
<thead>
<tr>
<th>axes levied</th>
<th>unusual goal of levy</th>
<th>must levy (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>95,128.00</td>
<td>245,128.00</td>
<td></td>
</tr>
</tbody>
</table>

if Estimate Taxation does not take the home "green field"