

Calculating Property Taxes 101

What is an ad valorem tax? In Latin, ad valorem means “according to the value”. Taxes based upon the value of the property are commonly referred to as “property taxes”.

What is the millage rate? The millage rate is the amount of property tax charged per \$1,000 of taxable property value. For example, if the Village’s current millage rate for general services is \$1.6304 per \$1,000 of taxable value, a property with a taxable value of \$100,000 would pay \$163.04 for Village services.

What is a TRIM notice? TRIM is an acronym for the Truth In Millage Law, passed in 1980 by the Florida State Legislature. It was designed to keep the public informed about the taxes proposed by local taxing authorities. The TRIM notice is the Notice of Proposed Property Taxes required by this law. All property owners should receive a TRIM notice each August. Other taxing authorities that will appear on this TRIM notice for Indiantown property owners include the Martin County School District, Martin County, South Florida Water Management District, Children’s Services Council and the Florida Inland Navigation District. Each of those taxing authorities charges their own millage rate separate from the Village.

How do I calculate my property taxes? The taxes due on a property are calculated by multiplying the adjusted taxable value of the property by the millage rate. For example, the property taxes on a home with a homestead exemption of \$50,000 and a tax rate of 4.8325 mills can be calculated in this manner:

Determine the adjusted taxable value of the property:

- Assessed Value of Home: \$150,000
- Less Homestead Exemption: -\$50,000
- **Adjusted Taxable Value: \$100,000**

Divide the taxable value by 1,000 and multiply by the millage rate:

$(100,000/1,000) \times 4.8325 = \483.25

What is the rolled-back rate? The rolled-back rate is the millage rate that would provide the same amount of revenue as the previous year’s millage rate. New construction is excluded from this calculation.