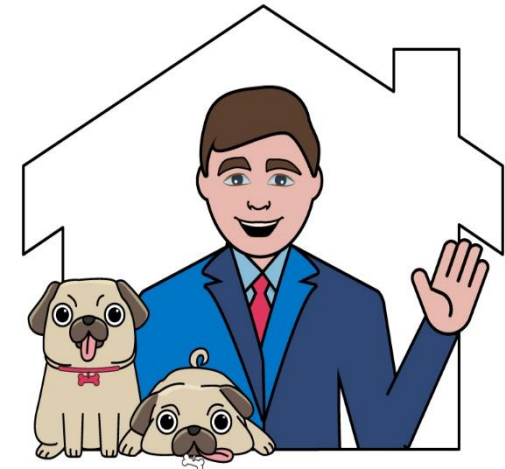


Understanding Property Value and Property Taxes



**Franklin County, Ohio
Triennial Review 2020**



Your Home Value & Tax Change

 Generally, increases in value are likely to result in increases in taxes, but it is not a 1:1 relationship

 Value can go up and taxes can go down

 Value can go down and taxes can go up

 Value can stay the same and taxes can change

 How much your taxes change and if they increase or decrease will depend on how much your value changes compared to all the values in your taxing district.

 Rates go up and down per taxing district.

 Your new tax rate and new tax amount cannot be calculated until values are final and any changes in levies are known.



Understanding Rates and Millage


- 🏠 Property tax is charged in “mills” a mill is 1 one thousandth of a penny so \$1 per \$1000, 10 cents per \$100, or .001, a tenth of a cent per dollar.
- 🏠 Up to 10 mills, so \$10 per \$1,000 of value can be taxed without a voted levy. This is called “inside millage.”
- 🏠 Anything above the 10 mills has to be approved by voters in the relevant taxing district. This is called “outside millage.”
- 🏠 The cost of inside millage will go up and down with value. The amount charged for voted levies will go up and down so the levy generates a consistent amount on existing property. This change is called the *reduction factor*.



Tax Calculation

$$\text{Tax} = \frac{(\text{Valuation})}{(\text{Auditor})} \times \frac{(\text{Rate})}{(\text{Voters})}$$

 35% of the fair market value set by the County Auditor is taxable, meaning that if a home's fair market value is \$150,000, the **taxable value** will be \$52,500.

 The **taxable value** is multiplied by the **effective rate** to determine the taxes owed.

- The effective rate is a combination of all the millage that applies to a property reduced as calculated by the state to ensure levies do not earn more than voters approved.
- Reductions and credits like the owner occupied credit also reduce taxes.



Your Home Value & Tax Change

Examples- \$20,000 increase in 2017

During the last reappraisal in 2017 like in the current cycle, values were generally increasing so effective rates typically went down.

Example Homes and Changes in Taxation	Home A: Jefferson Township	Home B: Reynoldsburg	Home C: Westerville
Value Change	+\$20,000	+\$20,000	+\$20,000
Tax Change	+\$411	-\$4	-\$154
Tax Percentage Change	+12%	0%	-2%
2016 versus 2017 effective tax rate	2016= 2.78% 2017= 2.69%	2016=2.86% 2017=2.55%	2016=2.93% 2017=2.67%



Home Value & Tax Change Example-Whitehall 2011 & 2017

Values Decreased (2010 – 2011)

$$2010 - \$109,000 \quad \frac{109,000}{1000} \times .35 \times 63.418486 \times .875 = \$2,116.99$$

$$2011 - \$105,500 \quad \frac{105,500}{1000} \times .35 \times 71.0013 \times .875 = \$2,294.01$$

(\$3,500) change in value = 3.32% decrease

\$177.02 change in tax = 8.36% increase

Values Increased (2016 – 2017)

$$2016 = \$105,500 \quad \frac{105,500}{1000} \times .35 \times 74.645403 \times .875^* = \$2,411.73$$

$$2017 = \$117,900 \quad \frac{117,900}{1000} \times .35 \times 67.360858 \times .876^* = \$2,434.97$$

\$12,400 change in value = 11.8% increase

\$23.24 change in tax = .964% increase

*This number will vary due to a legislative change that eliminates the non-business & owner occupied reduction for new millage passed after September 2013.



Home Value & Tax Change Example-Reynoldsburg 2011 & 2017

Values Decreased (2010 to 2011)

$$2010 - \$147,200 \quad \frac{147,200}{1000} \times .35 \times 76.462121 \times .875 = \$3,446.91$$

$$2011 - \$119,300 \quad \frac{119,300}{1000} \times .35 \times 81.12162 \times .875 = \$2,963.82$$

(\$27,900) change in value = 23.4% decrease
(\$483.09) change in tax = 16.3% decrease

Values Increased (2016 to 2017)

$$2016 - \$113,300 \quad \frac{113,300}{1000} \times .35 \times 92.918118 \times .878^* = \$3,235.14$$






$$2017 - \$135,000 \quad \frac{135,000}{1000} \times .35 \times 83.013838 \times .879^* = \$3,447.79$$

\$21,700 change in value = 19.15% increase
\$208.02 change in tax = 6.57% increase

*This number will vary due to a legislative change that eliminates the non-business & owner occupied reduction for new millage passed after September 2013.



Taxing Districts

-  The tax rates are set by the taxpayers within each taxing district by voting on levies
 -  Municipality, Township, School District, etc.
 -  In Franklin County, there were 148 different taxing districts for Tax Year 2019
-  Values vary but tax rates are the same for a taxing district
-  Rates go up and down per taxing district



Why are levies adjusted?

- 🏠 In 1976 the Ohio General Assembly enacted House Bill (HB) 920.
- 🏠 This bill established the “reduction factor” and the effective tax rate.
- 🏠 The reduction factor adjusts the full tax rate for changes in real property value.
- 🏠 The “Effective Tax Rate” is the adjusted tax rate for changes in value of real property.
- 🏠 This bill was established to eliminate windfall payments on levies once values increase or with inflation. This limits the over collection of outside millage to what was voted and approved.

Where do my property taxes go?

- 🏠 Some levies are for general funds, while other levies, like Franklin County's Senior Options levy have to be used for a specific purpose.
- 🏠 Schools are the largest recipient of property tax and our local school systems are heavily reliant on those funds.
- 🏠 You can see a detailed distribution for your property taxes paid in 2020 through the property search at franklincountyauditor.com.





Where do my property taxes go?

 Taxes are distributed to all of the local governments based on a property's location and taxing district. Below are two example distributions using 2019 number.

Home A, City of Columbus, Columbus City Schools: 1242 sq. ft, 3 Br, 1 Bth, 1963, \$95,500

Home B, City of Columbus, Westerville City Schools: 962 sq. ft, 3 Br, 1 Bth, 1 1/2 Bth, 1970, \$100,200

CURRENT YEAR DISTRIBUTION

County	Amount	Percentage
General Fund	43.00	2.12%
Children's Services	126.24	6.22%
Alcohol, Drug & Mental Health	57.17	2.82%
FCBDD	181.91	8.97%
Metro Parks	31.69	1.56%
Columbus Zoo	18.13	0.89%
Senior Options	47.18	2.33%
School District	1,357.76	66.96%
School District (TIF)	0.00	0.00%
Township	0.00	0.00%
Township (TIF)	0.00	0.00%
Park District	0.00	0.00%
Vocational School	0.00	0.00%
City/Village	91.85	4.53%
City/Village (TIF)	0.00	0.00%
Library	73.07	3.60%

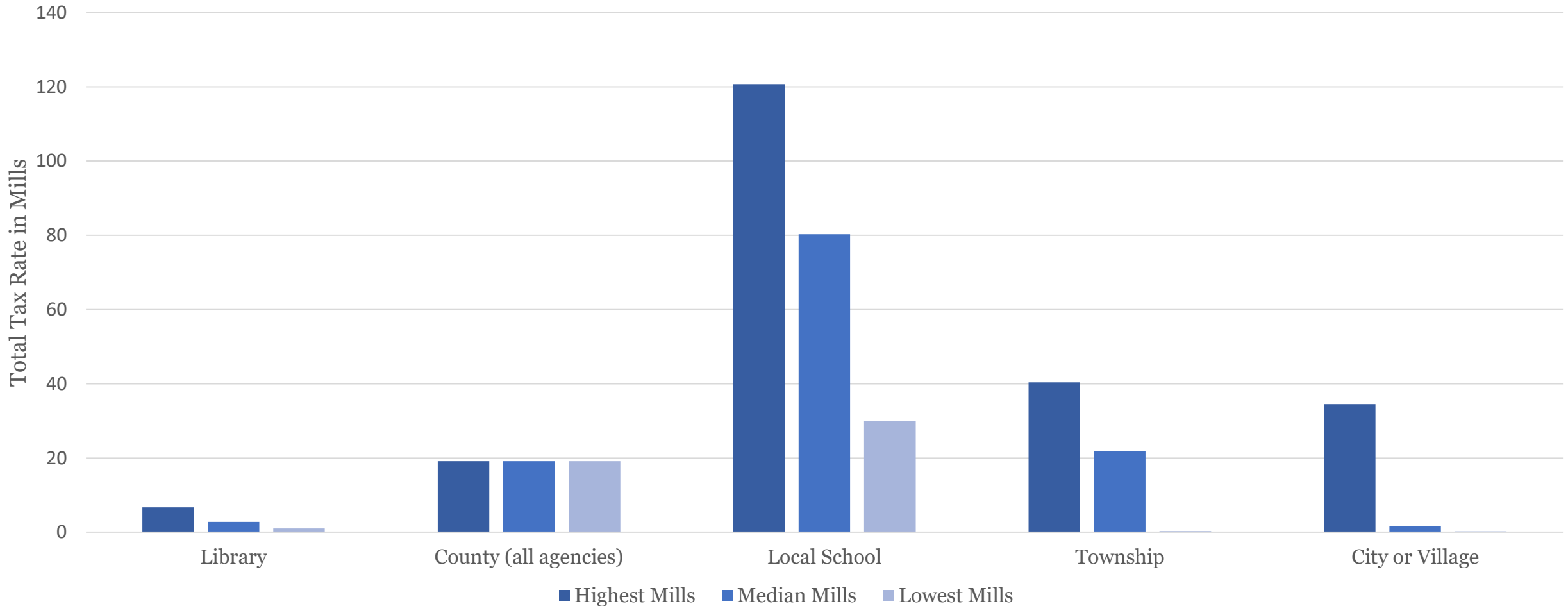
CURRENT YEAR DISTRIBUTION

County	Amount	Percentage
General Fund	45.11	1.91%
Children's Services	132.44	5.62%
Alcohol, Drug & Mental Health	59.98	2.54%
FCBDD	190.83	8.10%
Metro Parks	33.24	1.41%
Columbus Zoo	19.02	0.81%
Senior Options	49.50	2.10%
School District	1,675.47	71.09%
School District (TIF)	0.00	0.00%
Township	0.00	0.00%
Township (TIF)	0.00	0.00%
Park District	0.00	0.00%
Vocational School	0.00	0.00%
City/Village	96.35	4.09%
City/Village (TIF)	0.00	0.00%
Library	54.86	2.33%



Where do my property taxes go?

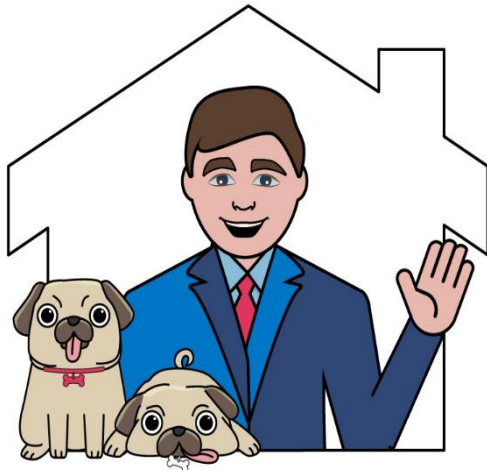
Total Authorized Millage Per Taxing District and Type of Taxing Authority 2019





Questions?

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