

STATE OF WISCONSIN
REAL ESTATE PROPERTY TAX BILL FOR 2010
 VILLAGE OF BADGER
 AMERICA CO.

IMPORTANT:

- Correspondence should refer to tax number.
- See reverse side for important information.
- Be sure this description covers your property. This description is for property tax bill only and may not be a full legal description.

LEGAL DESCRIPTION
 PART OF THE FIRST ADDITION TO THE SECOND
 ADDITION CONSISTING OF 1 LOT

BILL AND SUE HOMEOWNER
 RR 9
 BADGER WI 58425

Not part of the bill template.
 Print only on bills for property
 located within a Drainage District.

Drainage District Notification: \$

PARCEL # 12-116-0029-0000

Assessed Value Land	Ass'd. Value Improvements	Total Assessed Value	Ave. Assmt. Ratio	Net Assessed Value Rate (Does NOT reflect credits)	
22,000	76,900	98,900	98.9000000	.017091622	
Est. Fair Mkt. Land	Est. Fair Mkt. Improvements	Total Est. Fair Mkt.	<input type="checkbox"/> A Star in this box means Unpaid Prior Year Taxes	School taxes reduced by school levy tax credit	169.04
22,250	77,750	100,000			
	2009	2010	2009	2010	% Tax Change
Taxing Jurisdiction	Est. State Aids Allocated Tax Dist.	Est. State Aids Allocated Tax Dist.	Net Tax	Net Tax	
STATE OF WI			16.88	17.50	+3.7%
AMERICA CO	17,539	18,760	267.98	295.84	+10.4%
VILLAGE OF BADGER	118,822	121,904	172.22	178.17	+3.5%
SCH. DIST. #3150	620,167	622,787	765.43	953.53	+24.6%
TECH. COLLEGE #56	23,987	25,883	120.50	135.44	+12.4%
Total	780,515	789,334	1,343.01	1,580.48	+17.1%
	First Dollar Credit		77.30	78.50	+1.5%
	Lottery & Gaming Credit		88.18	98.98	+12.0%
	Net Property Tax		1,177.53	1,403.00	+19.1%

Make Check Payable to: JANE DOE TREASURER, VILLAGE OF BADGER RR 9, PO BOX 6890 BADGER WI 58425	Full Payment Due On or Before January 31	Net Property Tax	\$ 1,403.00
	\$ 1,762.02		
And Second Installment Payment Payable To: JOHN SMITH, COUNTY TREASURER AMERICA COUNTY COURTHOUSE BADGER WI 58425	Or First Installment Due On or Before January 31	GARBAGE	359.02
	\$ 1,060.52		
	And Second Installment Due On Or Before July 31		
	\$ 701.50		

Check For Billing Address Change.

BILL AND SUE HOMEOWNER
 RR 9
 BADGER WI 58425

TOTAL DUE FOR FULL PAYMENT
 PAY BY JANUARY 31 2011
 ▶ \$ 1,762.02

Warning: If not paid by due dates, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty.
Failure to pay on time. See reverse.

What Your Real Estate Property Tax Bill Tells You

Your real estate property tax bill tells you more than just how much you owe. Your tax bill also contains information about Local Spending, Local Assessment Practices, State Aids and Credits to Local Governments, Tax Rate, Special Purpose Costs, and Payment Procedures. As you continue reading, please refer to the example property tax bill for the fictitious Bill and Sue Homeowner titled *Understanding Your Property Tax Bill*. Your Property Tax Bill format may be slightly different from the example bill, but it will still contain the same information.

Property Tax Year

A property tax bill delivered to you in December applies for the property tax in that same year. Payment is due in full by January 31 of the next year does not indicate that the payment is for the next year property tax assessment. Property tax bills are always sent out in the year in which they apply.

Local Assessment Practices

Bill and Sue Homeowner's land assessment and the home and other buildings assessment on the land are added together for the total assessment. The *Total Assessed Value* is estimated by the local assessor. The Department of Revenue calculated the *Average Assessment Ratio* of the Village of Badger as a percentage. When an *Average Assessment Ratio* is considerably above or below 100% (or 1.0), a community-wide reassessment may be forthcoming. State law requires average assessment ratios to be within 10% of market value, that is, between 90% and 110% once every 4 years. This requirement promotes tax fairness. When community assessments are not regularly updated to reflect changes in the real estate market, unfair taxation can result. As properties increase in value at different rates, some property owners will pay too much in tax and others will pay too little. The *Total Estimated Fair Market Value* is calculated by dividing the *Total Assessed Value* by the *Average Assessment Ratio*. Property taxes are levied on the *Total Assessed Value*, not the *Total Estimated Fair Market Value*.

Use-Value Assessment of Agricultural Land

Please note that if all or a portion of a parcel contains farmland assessed according to its use-value as agricultural land, the *Estimated Fair Market Land* and *Total Estimated Fair Market Value* cannot be estimated using the *Average Assessment Ratio* and, therefore, will not be shown.

Unpaid Prior Taxes

Owners with a star in the box noting unpaid prior year taxes should contact the county treasurer to resolve this issue.

Net Assessed Value Rate

The *Net Assessed Value Rate* is the same as dollars per \$1000 of assessed property value. The *Net Assessed Value Rate* is calculated by adding each taxing jurisdiction's mill rate less the state credit.

Credit to Local Government

Part of the state credit consists of a *School Levy Tax Credit*.

Local Spending

Bill and Sue Homeowner live in Badger, Wisconsin where five "taxing jurisdictions" exist (**State, County, Village, School District and Tech. College**). Common taxing jurisdictions include the State of Wisconsin (forestation tax), county, municipality (city, village, or town), local public schools, technical college, and sanitary district. Other districts may also be listed on your Property Tax Bill.

State Aids and Credits to Local Governments

Wisconsin is almost unique among the states in terms of the amount of taxes raised at the state level, but spent at the local level. Bill and Sue Homeowner can compare the *Estimated State Aids Allocated to the Tax District* to the prior year figures. Bill and Sue Homeowner's share of the *Net Tax* in the tax district before *Special Purpose Costs* (see below). This amount contains the tax owed to each taxing jurisdiction. The *Two Years Net Tax* amounts by tax jurisdiction are also listed along with a percent change comparison column. Bill and Sue Homeowner can compare the percent change of the *Prior Year Net Tax* figures to the *Present Year Net Tax* figures for each jurisdiction including the *Totals* for each tax year. The *Lottery Credit* for Bill and Sue Homeowner's property are listed in the Taxable Year.

First Dollar Credit

The First Dollar Credit was created by the 2007 Legislature. The first payment was made in the 2008/2009 property tax year. The credit is funded by the state general fund.

The First Dollar Credit is paid to the owner of any real estate parcel on which at least one improvement owned by the land owner is located. The credit equals the school property tax on a certain amount of the value of the improvements. This "credit value" is calculated every year by the Department of Revenue, after taking into consideration the estimated number of claims that are expected to be paid and school property tax rates (for K-8, Union High, and K-12 school districts).

The "credit value" is set at the level that distributes the available funds. If the value of the parcel exceeds the "credit value", a full credit is paid. However, if the value of the parcel is less than the "credit value", the credit is paid on the actual value of the parcel.

The First Dollar Credit is shown on property tax bills as a reduction of property taxes due. For taxpayers who pay their taxes in two or more installments, the credit is applied equally to each installment.

The credit is paid to municipalities on the fourth Monday of July. The municipality treats the credit the same as general property tax collections paid by taxpayers.

Additional information on First Dollar Credit is available at the following website.

<http://www.revenue.wi.gov/faqs/slf/fdolcred.html>

Tax Rate

The *Net Assessed Value Rate* is the same as dollars per \$1000 of assessed property value. The *Net Assessed Value Rate* is calculated by adding each taxing jurisdiction's mill rate less the state credit. In this case, Bill and Sue Homeowner will pay for each \$1,000 of assessed value. By taking this *Net Assessed Value Rate* and multiplying it by Bill and Sue Homeowner's *Total Assessed Value*, you will determine Bill and Sue Homeowner's property tax before the lottery credit and any special purpose costs are included.

Special Purpose Costs

Bill and Sue Homeowner have some additional costs that taxpayers in other districts may not see on their tax bills. *Special Assessment*, *Special Charges*, or *Special Taxes* would be listed in the upper-right section of the tax bill. Most of these costs are listed on the tax bill by type such as curb and gutter, street, refuse collection, or weed control.

Payment Procedures

Bill and Sue Homeowner may pay the taxes in one of two ways. The amount can be paid in full to the local municipal treasurer by January 31 after the December statement. If the taxes are paid by installment, the first payment is due to the local treasurer by January 31, and the second payment is due to the county treasurer by July 31. A third payment option, multiple installments, is available in some municipalities if they have adopted a special multi-payment plan. Since Bill and Sue Homeowner's tax bill does not mention any other

installment method, this payment option is not available.

Definition of Terms

Apportion: Once the amount of taxes to be levied by each taxing jurisdiction has been determined, the total tax levy must be divided, or apportioned, among all the taxation districts which contain territory in the jurisdiction.

Arm's-Length Sale: A sale between two parties, neither of whom is related to or under abnormal pressure from the other.

Assessed Value: The dollar amount assigned to taxable real and personal property by the assessor for the purpose of taxation. Assessed value is estimated as of January 1 and will apply to the taxes levied at the end of that year. Assessed value is called a primary assessment because a levy is applied directly against it to determine the tax due. Accurate assessed values ensure fairness between properties within the taxing jurisdiction. (See *Equalized value* for fairness between municipalities).

Assessment Level: The relationship between the assessed value and the equalized value of non-manufacturing property minus corrections for prior year over or under charges within a municipality—town, village or city. For example, if the assessed value of all the property subject to property tax in the municipality is \$2,700,000 and the equalized value (with not prior year corrections) in the municipality is \$3,000,000 then the “assessment level” is said to be 90% ($\$2,700,000 \div \$3,000,000 = .90$ or 90%).

Assessment Ratio: The relationship between the assessed value and the statutory valuation standard (fair market value for most property, use value for agricultural land, and 50% of full value for agricultural forest and undeveloped lands). For example, if the assessment of a parcel which sold for \$150,000 (fair market value) was \$140,000, the assessment ratio is said to be 93% (140,000 divided by 150,000). The difference in the assessment level and the assessment ratio is that the level typically refers to the taxation district; the ratio refers to the individual parcel.

Chattel: In law, any property other than a freehold or fee estate in land. Chattels are treated as personal property, although they are divisible into chattels real, and chattels personal.

Equalized Value: The estimated value of all taxable real and personal property in each taxation district, by class, as of January 1 and certified by the Department of Revenue on August 15 of each year. The value represents market value (most probable selling price), except for agricultural property, which is based on its use (ability to generate agricultural income) and agricultural forest and undeveloped lands, which are based on 50% of their full (fair market) value.

Assessed Value \$140,000

Assessment Ratio Market Value = $\$140,000 \div \$150,000 = 93\%$

Excessive Assessment: An appeal to the municipality under Section 74.37, Wis. Stats. claiming a property assessment is excessive. The property owner files a claim against the municipality to recover the amount of property tax imposed as a result of the excessive assessment.

Fair Market Value: Synonymous with a property's full value, market value or – in the case of personal property – true cash value. Fair market value is “the amount the property will sell for in an arms-length transaction on the open market between a willing seller not obliged to sell the property and a willing buyer not obliged to purchase it.” *Waste Management v. Kenosha County Review*

Board 184 Wis. 2nd 541, (1994).

Full Value: (1) The value reflected as fair market value when used in reference to the valuation of real property under Section 70.32(1) Wis. Stats (this does not include agricultural property defined in Section 70.32 (2)1. Wis. Stats). (2) The same as equalized value, however is often used when referring to the value of school and special districts.

Levy: The total amount of property taxes imposed by a taxing unit.

Market Value: According the *Uniform Standards of Professional Appraisal Practice*, the definition of market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and