



MILLS ACT ESTIMATED PROPERTY TAX SAVINGS WORKSHEET Residential Property

Property Address _____

Current Property Owners _____

Please print, enter the information where directed, and make calculations, or use this fillable form.

Existing Property Value Calculation

- #1 _____ County Assessed Value (can be found on property tax bill)
#2 _____ 1% Property Tax (#1 x .01)

Estimated Rental Calculation

- #3 _____ Estimated Monthly Rent - Most Accurate would be from a Realtor, or Find Comparables
#4 _____ Annual Rent (#3 x 12)
#5 _____ Annual Rent Expenses - Estimated Maintenance and Operating Costs *
#6 _____ Determine Annual Net Rent Less Expenses (#4 - #5)

Capitalization Rate

- #7 _____ % Federal Home Loan Interest Rate— 3.18% as of 2016
#8 _____ 4.00 % + Risk (4% for an Owner Occupied Residence)
#9 _____ 2.00 % + Amortization (2% Based on 50 Year Life)
#10 _____ 1.00 % + Tax Rate (1%)
#11 _____ % = Capitalization Rate (sum of #7 through #10)

NEW PROPERTY VALUE CALCULATION UNDER MILLS ACT CONTRACT

- #12 _____ New Estimated Property Value (#6 ÷ #11 Capitalization Rate)
#13 _____ \$7,000 - Less Homeowner's Exemption
#14 _____ = New Value for Tax Purposes (#12 - #13)
#15 _____ New Estimated Property Tax (#14 New value for tax purposes x 1%)
#16 _____ **Owner's Annual Property Tax Savings** (#2 - #15)
#17 _____ **Owner's Annual Property Tax Savings for First 10 Years** (#16 x 10)

* Typical cost is between \$2,500 and \$5,000

NOTE: This calculation does not include any special assessment district fees included in annual tax