



## **Montgomery County**

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*Stephanie Burke, Auditor*

### **Property Tax System Explanation**

Property tax bills have been sent out by the Montgomery County Treasurer's Office. The tax bills are the result of an annual property tax process that involves determining the value of each individual property parcel in the county and applying the property tax needs of various local entities to the sum of those values. A number of modifications take place through the process based on laws intended to make the system as fair as possible. The process begins in the County Assessor's Office, travels through the County Auditor's Office, and ends in the County Treasurer's Office.

The County Assessor determined each property's assessed value as of January 1, 2016. The taxable value of the property is fixed, after a number of required steps. Among these steps was the calculation of a state-applied rollback percentage, which determines, by property class, how much of the property's assessed value is taxed.

For instance, each residential property in the state will pay taxes on 56.9391% of its assessed value during this fiscal year. For agricultural property, it's 47.4996%. For commercial and industrial property, it's 90%. For multi-residential property, it's 82.5%.

Cities, school districts and counties are the primary property-tax levying bodies. Their governing boards and councils determine property tax needs by deadlines in March and April. The County Auditor's office applies these taxing needs to the county's taxable valuation and calculates the amount of tax owed by each property owner. Oftentimes tax credits and exemptions are applied at an individual property parcel level. These tax amounts are provided to the County Treasurer, who sends out detailed bills and collects taxes. The tax rates determined in the spring of 2017 are applied to the January 1, 2016 property values, and the taxes are payable in two installments: the first being in September of 2017 and the second in March of 2018.

This is a very simplified look at the property tax system. For questions, contact the County Assessor's Office at 712-623-4171, the County Auditor's Office at 712-623-5127, and the County Treasurer's Office at 712-623-3292.