

Understanding Taxable Value

Michigan assessors mail assessment notices to property owners around March 1 of each year. Your notice will show 3 different values for your property:

Assessed Value – 50% of “true cash value”. Assessed value is based on sales studies which look back 1 or 2 years; the value may not be what you paid for your property even if you purchased it recently. Assessed value also includes any changes to your property such as a room addition. Assessed value becomes the tentative State Equalized Value.

State Equalized Value (SEV) – The County and State review Assessed values and either accept or adjust each tentative value and it becomes the SEV. Again this should be 50% of the true cash value.

Taxable Value (TV) – Your taxes are calculated on taxable value. Increases in taxable value are capped and cannot increase more than the consumer price index (CPI) or 5%, whichever is lower. Taxable value can never be higher than SEV.

When a property changes ownership, the taxes are “uncapped” and the taxable value is reset to match the SEV.

2009 Information

Property values are generally decreasing. Some property owners will notice that their SEV has dropped.

- If your SEV is now lower than last year’s taxable value, this year’s taxable value will drop to match the new SEV and your taxes may go down.
- If your SEV is lower than last year’s SEV but still more than your taxable value, your taxable value will increase by the CPI rate and your taxes will likely go up.
- If your SEV has increased, your taxable value can only increase by the CPI.

The State Tax Commission calculates the CPI each year and the rate used for 2009 assessments is 4.4%.

PRE
Michigan residents are usually eligible for a **Principle Residence Exemption (PRE)** for their home. PRE properties do not pay the 18 mill school operating tax.

Appealing your Assessment

Each city and township schedules March **Board of Review** meetings at which property owners can appeal their property valuations. Please see the list of Assessor phone numbers on the other side to check on the schedule for your municipality. Generally, you must make an appointment to appear in person or send in a written appeal before the meeting date.

Boards of Review can also grant **poverty exemptions** which can reduce property taxes for eligible homeowners. Please contact your assessor to find out the eligibility rules.

Senior citizens and some disabled homeowners may be eligible to pay their taxes late without penalty. Please contact your treasurer for information about **Senior Deferments**.

If you are not satisfied with your response from the local Board of Review in any of these matters, you can take your appeal to the Michigan Tax Tribunal. You can contact them at (517) 373-3003 or find more information at Michigan.gov/taxtrib.

History: Back in 2004, Michigan voters passed **Proposal A**. Proposal A increased the sales tax to 6% while decreasing property tax rates for homestead properties. Proposal A also limited the growth of taxable values to a maximum of 5% per year. See MCL 211.24

Information provided by:
Catherine McClary, CPFO
Washtenaw County Treasurer



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Poverty Exemptions

Poverty exemptions are a reduction of property taxes for eligible homeowners, granted by a city or township's Board of Review.

General Poverty Exemption Qualifications

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- The owner of the property must be its **principal resident**.
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CITY OR TOWNSHIP	Phone Number	POVERTY GUIDELINE	POVERTY GUIDELINE	POVERTY GUIDELINE
		1 PPL (MAX INCOME)	2 PPL (MAX INCOME)	4 PPL (MAX INCOME)
City of Ann Arbor	734-994-2663	\$22,035	\$27,536	\$39,930
City of Chelsea	734-433-9724	\$19,240	\$25,900	\$39,220
City of Milan	734-439-0580	\$10,830	\$14,570	\$22,050
City of Saline	734-429-4907	\$23,100	\$26,300	\$32,900
City of Ypsilanti	734-483-1530	\$10,830	\$14,570	\$22,050
Ann Arbor Township	734-663-8540	\$10,830	\$14,570	\$22,050
Augusta Township	734-433-9724	\$16,879	\$19,232	\$25,711
Bridgewater Township	517-456-7728	\$10,830	\$14,570	\$22,050
Dexter Township	734-426-3767	\$15,600	\$20,300	\$28,620
Freedom Township	734-222-6662	\$10,830	\$14,570	\$22,050
Lima Township	734-475-2246	\$10,830	\$14,570	\$22,050
Lodi Township	734-665-7583	\$21,000	\$27,000	\$35,000
Lyndon Township	734-433-9724	\$19,240	\$25,900	\$39,220
Manchester Township	734-433-9724	\$19,240	\$25,900	\$39,220
Northfield Township	734-449-2880	\$21,610	\$24,640	\$30,800
Pittsfield Township	734-822-3115	\$21,000	\$27,000	\$35,000
Salem Township	734-433-9724	\$16,500	\$18,800	\$24,650
Saline Township	734-222-6050	\$10,830	\$14,570	\$22,050
Scio Township	734-665-2123	\$19,000	\$22,500	\$29,500
Sharon Township	734-428-7591	\$10,830	\$14,570	\$22,050
Superior Township	734-482-6099	\$22,000	\$24,000	\$31,600
Sylvan Township	734-475-8890	\$18,200	\$24,500	\$37,100
Webster Township	734-426-5103	\$22,000	\$24,000	\$31,600
York Township	734-439-8890	\$17,600	\$21,400	\$29,000
Ypsilanti Township	734-487-4927	\$17,300	\$19,750	\$24,700

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