

## The Assessment Rate and You

Your property tax bill is made up of many moving parts. The Assessor's value is the first part of that equation. The assessment rate is the second. The third part of the equation are the mill levies (taxes) certified by the taxing entities (County, School, Fire, Water, etc.) to the County Commissioners in December.

This year, the Residential Assessment Rate changed from 7.96%, down to 7.2% of actual value. House Bill 17-1349 was signed into law by the Governor on June 5<sup>th</sup>. Every year the legislature has to determine the assessment rate for residential property in the state of Colorado, as required by the Gallaher amendment. All other property that is not used residentially has a fixed assessment of 29% with the exception of Oil and Gas Production which has a fixed assessment of 87.5%.

This new rate will be applied to the actual value of residential property to determine the assessed value. The assessed value is then multiplied by the total mill levy in your area to calculate your tax bill for tax year 2017.

This is an example of how the new assessment rate would affect your 2017 taxes using last year's mill levies:

Actual Value:	\$400,000		\$400,000
7.96% Assessment Rate:	x .0796	7.2% Assessment Rate:	x .072
Assessed Value	= \$31,840		\$ 28,800
2016 Avg Mill Levy	x .065 (65 Mills)		x .065
Estimated Tax	\$2069.60		\$1872.00

The change in the residential assessment rate from 7.96% to 7.2%, is actually a reduction of almost 10%! The taxpayer gets the benefit, saving this almost 10% on their estimated tax. Note, this savings is an estimate based on last year's mill levy.

If you have questions, please don't hesitate to give us a call at 970-945-9134.