

# How Property Taxes Work



## 1. Assessor Values Property

step 1

$$\begin{array}{ccccc} \$100,000 & \times & 54.07\% & = & \$54,074 \\ \text{Assessed Value} & & \text{Current Residential} & & \text{Taxable Value} \\ \text{(Residential Property)} & & \text{Rollback Percentage}^* & & \end{array}$$

step 2

$$\begin{array}{ccccc} \$54,074 & \% & 1,000 & \times & \$12.10 & = & \$654 \\ \text{Taxable Value} & & & & \text{Avg Statewide City} & & \text{Tax Revenues} \\ & & & & \text{Tax Levy Rate} & & \end{array}$$

\*The residential, commercial, industrial and multi-residential property classes have their own rollback percentage that are used to calculate the taxable values for such properties

## 2. City Council and Staff Meet To Discuss/Approve Annual Budget

Cities must adopt the budget following the process required by the state code



## PROPERTY TAX STATEMENT

- City Tax Rate
- County Tax Rate
- School District Tax Rate



## 3. Property Owner Receives Property Tax Statement and Pays Taxes Based on Taxable Valuation and Local Tax Rates

## 4. City Uses Property Tax Revenue To Fund Police, Fire, Roads, Library, Pool, and Other Essential Services



Learn more about property taxes at [www.iowaleague.org](http://www.iowaleague.org)