

Helpful Definitions

Assessed Value (Used by municipalities in calculating individual property taxes)

The dollar amount assigned to taxable real and personal property by the assessor for the purpose of taxation. Assessed value is estimated as of January 1 and will apply to the taxes levied at the end of that year. Assessed value is called a primary assessment because a levy is applied directly against it to determine the tax due. Accurate assessed values ensure fairness between properties within the taxing jurisdiction. (See equalized value for fairness between municipalities.)

Assessment Level

The assessment level is the relationship between the assessed value and the equalized value of non manufacturing property minus corrections for prior year over- or under-charges within a municipality - town, village, or city. For example, if the assessed value of all the property subject to property tax in the municipality is \$2.7 million, and the equalized value in the municipality is \$3 million, then the assessment level is said to be 90% ($\$2,700,000 / \$3,000,000 = .90$ or 90%).

Municipalities must revalue at least once every five years. In addition, at least once every five years, assessments for each major class of property must be within 10% of market value.

If the municipality's Average Assessment Ratio goes down and the Total Assessed Value remains the same, the reported mill rate for the taxing jurisdiction in that municipality will go up. However, whether the property in the municipality is assessed at 90% of market value or 110% of its market value has no effect on your particular tax bill so long as your neighbors are also being assessed at that same 90% or 110%. This is the concept of uniformity and the basis for Wisconsin tax law.

Equalized Value (Used by school districts in calculating levy and mill rate)

Equalized value is the estimated value of all taxable real and personal property in each taxation district, by class, as of January 1 and certified by the Department of Revenue on August 15 of each year. The value represents market value (most probable selling price), except for agricultural property, which is based on its use (ability to generate agricultural income), and agricultural forest and undeveloped lands, which are based on 50% of their full (fair market) value.

Fair Market Value

Fair market value is synonymous with a property's full value, market value, or in the case of personal property, true cash value.

School Levy Tax Credit

The credit comes off the School District portion of the tax bill. As part of the State's commitment to fund education comes in the form of the school levy tax credit, the school portion of the taxpayer's tax bill is reduced by the amount of credit that is based on the property's assessed value as a percent of the municipality's total assessed value.