

MILLS ACT TAX SAVINGS EXAMPLE FOR COMMERCIAL BUILDING

General Tax Savings Information

- Residential property owners enjoy a 40-60% property tax savings
- Commercial property owners enjoy around a 16% tax savings
- City is assured that historic properties will be maintained

Tax Savings Example

- County taxes = 1% of the assessed property value
- 18% of the 1% is passed on to City

Property Value	\$2,000,000
Property Tax (1%)	\$ 20,000
City Receives (18%)	\$ 3,600

Mills Act Value (84%)	\$1,680,000
Property Tax (1%)	\$ 16,800
City Receives (18%)	\$ 3,024

Property-Owner Saves	\$3,200 (\$20,000 minus \$16,800)
City Tax Loss	\$576 (\$3,600 minus \$3,024)

10 Year Projection:

- Property Owner has \$32,000 more than normal to help maintain the historic building
- City receives \$5,760 less in taxes
- City receives \$5.55 dollars in historic building maintenance for each dollar it contributes in lost taxes ($32,000/5,760 = \$5.55$)
- For a 18% investment, the City gets \$32,000 in maintenance