

## **MILLS ACT TAX SAVINGS EXAMPLE- RESIDENTIAL PROPERTY**

### **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

### **Example: Annual Values- Residential House**

<b>Property Value</b>	<b>\$500,000</b>
<b>Normal Property Taxes</b>	<b>\$5,000</b>
<b>City Normally Receives</b>	<b>\$900</b>
<b>Mills Act Taxes (40-60%)</b>	<b>\$2,000 - \$3,000</b>
<b>City Receives</b>	<b>\$360 - \$540</b>
<b>Property-Owner Saves</b>	<b>\$2,000 - \$3,000</b> <b>(\$5,000 minus \$2,000-\$3,000)</b>
<b>City Tax Loss</b>	<b>\$360 - \$540</b> <b>(\$900 minus \$360-\$540)</b>

### **10 Year Projection:**

- Property Owner has \$20,000 - \$30,000 more than normal to help maintain the historic building
- City receives \$3,600 - \$5,400 less in taxes
- City receives \$5.55 in historic building maintenance for every dollar it contributes in lost taxes ( $20,000/3,600 = \$5.55$ )