STATE ASSESSORS BOARD
Mandatory
Certification Renewal Program

Application of New, Loss, Additions, Losses, and Adjustment

2008-2011 Renewal Periods

PROGRAM CONTENT

This is one of three mandatory six-hour renewal programs assessing officers must complete by September 30, 2011. It is an expansion of one of the two-hour segments from the mandatory six-hour certification renewal program adopted by the State Assessors Board for the 2007-2008 renewal period. This program covers the application of new, loss, additions, losses, and adjustment by assessors in assessment roll preparation. It also covers the use of new, loss, additions, losses, and adjustment in required assessment administration reports.

The initial two-hour segment on this topic was necessarily simple due to time constraints. This six-hour program will cover similar simplistic material, but it will also cover more difficult assessing situations which assessing officers commonly encounter. This program will also offer "hands-on" learning opportunities in response to feedback received for the original two-hour segment.

After completing this program, assessing officers should (1) have the necessary knowledge to determine and correctly apply new, loss, additions, losses, and adjustment to individual parcels on an assessment roll in most situations, (2) have an understanding of how new, loss, additions, losses, and adjustment are used in developing required reports, and (3) have a reliable reference resource for use in preparing assessment rolls and required reports. This renewal program will focus on the following specific topics:

- ❖ Clarification of terminology (for new, loss, additions, losses, and adjustment)
- ❖ Association of terms with values
- ❖ Treatment of example situations
- ❖ Required report preparation

THE NEED FOR NEW, LOSS, ADDITIONS, LOSSES, AND ADJUSTMENT TRAINING

Although the general concepts associated with new, loss, additions, losses, and adjustment are not difficult to understand, the application of these concepts in certain real-life situations is often a complicated matter which has been observed to cause confusion among assessing officers. Real-life application of these items can sometimes confuse even highly experienced assessing officers. It is important, however, for assessing officers to apply new, loss, additions, losses, and adjustment correctly. The equalization process, millage rollbacks, etc. are dependent on the correct application of these items. Assessing officers at the local (i.e., City or Township) level need to know how to determine these items correctly when working to prepare annual assessment rolls. Assessing officers at the County level need to understand these items to audit assessment rolls for equalization purposes and to ensure the correct calculation of millage rollbacks for the various taxing entities in the state.

CLARIFICATION OF TERMINONLOGY

Prior to discussing the proper application of new, loss, additions, losses, and adjustment, it is necessary to discuss the meaning of these terms. Generally, these terms represent different categories of values which an assessing officer determines under various assessing circumstances. These value figures are placed on the assessment roll and subsequently used in other reports required of assessing officers.

The term “new” is used in assessment administration to describe assessment increases resulting from additional true cash value which was not included in an assessment unit’s starting ratio on Form L-4018. Put simply, the term “new” includes added true cash value for property which is described for the first time on the assessment roll or which was formerly exempt from taxation. “New” would include value added for a new piece of equipment, a new building, a new structure (including value added for completion of construction for a structure which was partially valued in a prior year), etc. “New” also includes value added for the platting of land and value added for a change in a parcel’s description (e.g., a combination of two parcels).

The term “loss” is used in assessment administration to describe assessment decreases resulting from reduced true cash value because property was removed from the assessment roll (i.e., annexed to another assessment unit), because property was destroyed or became exempt from taxation, or because property was removed from a parcel description (e.g., split from a parcel). “Loss” also includes a reduction in the assessed value of personal property because the value of the personal property decreased compared to the prior year.

The term “adjustment” refers to positive or negative changes (i.e., plus or minus adjustments) made with respect to the equalization process. Technically speaking, “adjustment” covers all assessment increases or decreases other than the changes covered by “new” or “loss”. “Adjustment” is commonly considered to be a change in value to set assessments at 50 percent of true cash value as required by law.

The terms “additions” and “losses” are used in assessment administration to mean increases and decreases, respectively, in capped value according to statutory definitions (see Michigan Compiled Law 211.34d and applicable court decisions for complete definitions of these terms). The term “additions” includes value added for omitted property, new construction, previously exempt property, replacement construction, and remediation of environmental contamination. The term “losses” includes value reductions for property destroyed or removed, property which has become exempt from taxation, property which has experienced a decrease in value due to decreased occupancy rates, and property which has experienced a decrease in value due to environmental contamination. It should be noted that the treatment of “additions” is somewhat complicated by the fact that “additions” are usually, but not always, the same for the capped value formula and for millage rollback calculations. For details regarding this point, the reader is directed to State Tax Commission Bulletin No. 2 of 1996.

ASSOCIATION OF TERMS WITH VALUES

Since the inception of Proposal A, each parcel of taxable property in the state has had both a state equalized value and a capped value. When an assessing officer is determining correct figures for new, loss, additions, losses, and adjustment, it is helpful to think of these values separately.

New, loss, and adjustment are figures that apply uniquely to assessed and equalized value. These figures are used in the equalization process and do not apply to capped value. Additions and losses are figures that apply to the determination of capped value and are used in millage rollback calculations. Additions and losses do not apply to the equalization process. The table below provides a summary showing which type of figure is associated with the equalization process and which type of figure is associated with capped value determination and millage rollbacks. An assessing officer who keeps these associations in mind will have a head start in correctly determining new, loss, additions, losses, and adjustment.

	VALUE ASSOCIATION	
TERM	**Assessed Value/ State Equalized Value**	**Capped Value**
New	Yes	No
Loss	Yes	No
Additions	No	Yes
Losses	No	Yes
Adjustment	Yes	No

It is noted that sometimes new will equal additions and sometimes loss will equal losses. Even so, it is best to consider new, loss, and adjustment separately from additions and losses when determining figures for these value categories.

TREATMENT OF EXAMPLE SITUATIONS/REQUIRED REPORT PREPARATION

The remainder of this renewal program relates to multiple sets of factual circumstances which show (1) how new, loss, additions, losses, and adjustment are determined in different situations for individual parcels and (2) how these determinations are later assembled and used in required reports for equalization and millage rollback purposes. The use of hypothetical situations is considered the best way to demonstrate the correct treatment of new, loss, additions, losses, and adjustment. These example situations are ones that commonly occur and all assessing officers should understand how to handle them, even if the situations can be somewhat complicated.

On pages 6 and 7 are tables which provide brief descriptions of a variety of assessment administration situations and information whether each situation entails new, loss, or adjustment (for equalization purposes) and/or additions or losses (for capped value/millage rollback purposes). One table covers assessment administration situations where there is an increase in value; the other table covers assessment administration situations where there is a decrease in value. The tables also provide references to problems which contain hypothetical circumstances illustrating the proper treatment of the assessment administration situations. The pages following the tables contain the example problems.

Users of this program should note that it is not possible to provide example problems covering all combinations of assessment administration circumstances. It is intended that the example problems presented in the program be sufficient to provide users of the program with an adequate knowledge base to handle other situations which are not covered specifically by the program. For example, the program examples do not cover a situation where there is fire damage and a classification change simultaneously for a parcel. However, both of these items are covered separately and users of the program should be able to handle such a combination of events based on the program materials.

Lastly, a set of required reports has been prepared and is provided as part of the renewal program. The required reports use the figures for new, loss, additions, losses, and adjustment from the example problems. These required reports help demonstrate how figures for new, loss, additions, losses, and adjustment are used in the assessment administration process.

ASSESSMENT CHANGES FROM PREVIOUS YEAR
(March Board of Review to March Board of Review)

ASSESSMENT ADMINISTRATION SITUATIONS WITH AN INCREASE IN VALUE	FOR EQUALIZATION PURPOSES New, Loss, or Adjustment	FOR CAPPED VALUE/ MILLAGE ROLLBACK PURPOSES Additions or Losses	EXAMPLE PROBLEM
Improved Market Conditions	Yes, Plus Adjustment	No	A, B, C, D, H, J
New Construction	Yes, Equalization New	Yes, Additions	H, I, J, P2, R, X
Replacement Construction	Yes, Equalization New	Yes, Additions	R
New Property Description/Parcel Number (from Split or Combination)	Yes, Equalization New	No*	N1, N2, O1, O2, P1, P2, U1-U5, AC2, AD2
Previously Exempt Property	Yes, Equalization New	Yes, Additions	K2, K3, T, Z
Classification Change (e.g., from Residential to Commercial)	Yes, Equalization New**	No	L, Q
Property Annexed to the City or Township	Yes, Equalization New	Yes, Additions	None
Personal Property Moved into the City or Township	Yes, Equalization New	Yes, Additions***	V
Omitted Property	Yes, Equalization New	Yes, Additions	M, M1
Remediation of Environmental Contamination	Yes, Equalization New	Yes, Additions	None
Non-Consideration of Value	Yes (Upon Sale), Equalization New	Yes (Upon Sale), Additions	Z
Prior Year Transfer of Ownership/ Taxable Value Uncapping	No	No	O2, P2, Y, AD2

*A split or combination of property does not result in additions unless new construction is added to the parcel(s). In such cases, the parcel(s) would include additions (half the true cash value of the new construction) and equalization new (half the true cash value of the new construction plus the assessed value new to the parcel for the split or combination).
**This would result in equalization new for the commercial class (not the residential class).
***If personal property moves within a City or Township and changes taxing authority (e.g., moves to a new school district in the same City), losses occur for one taxing authority and additions occur for the other taxing authority. However, no additions or losses occur for the City, Township, or any countywide taxing authority.

ASSESSMENT CHANGES FROM PREVIOUS YEAR
(March Board of Review to March Board of Review)

ASSESSMENT ADMINISTRATION SITUATIONS WITH A DECREASE IN VALUE	FOR EQUALIZATION PURPOSES New, Loss, or Adjustment	FOR CAPPED VALUE/ MILLAGE ROLLBACK PURPOSES Additions or Losses	EXAMPLE PROBLEM
Declining Market Conditions	Yes, Minus Adjustment	No	E, F, G, AF, AH
Property Destroyed or Removed (e.g., Fire, Demolished, Moved to Another Assessing Unit)	Yes, Equalization Loss	Yes, Losses	W, AB, AE, AG
New Property Description/Parcel Number (from Split or Combination)	Yes, Equalization Loss	No	N, O, P, U, AC, AC1, AD, AD1
Property Becomes Exempt	Yes, Equalization Loss	Yes, Losses	K1, K4, S, AB
Classification Change (e.g., from Residential to Commercial)	Yes, Equalization Loss*	No	L, Q, X
Property Annexed out of the City or Township	Yes, Equalization Loss	Yes, Losses	None
Personal Property Moved out of the City or Township	Yes, Equalization Loss	Yes, Losses**	None
Personal Property Reduction in Value Compared to Prior Year	Yes, Equalization Loss	No	None
Environmental Contamination	Yes, Equalization Loss	Yes, Losses	None
Non-Consideration of Value	Yes (When Previously Included in the Assessment), Equalization Loss	Yes (When Previously Included in the Taxable Value), Losses	AB

*This would result in equalization loss for the residential class (not the commercial class).
**If personal property moves within a City or Township and changes taxing authority (e.g., moves to a new school district in the same City), losses occur for one taxing authority and additions occur for the other taxing authority. However, no additions or losses occur for the City, Township, or any countywide taxing authority.

PROBLEM A, PLUS ADJUSTMENT (CLASS: RESIDENTIAL)

There are four comparable properties in a neighborhood that are assessed at $45,000. A fifth property with very similar characteristics is assessed for $38,000. The assessor increases the assessment of this fifth property by $7,000 to equal the assessments of the other similar properties. The 2007 taxable value was $33,500. There were no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Plus Adjustment: __________ - __________ = __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ -) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM A, PLUS ADJUSTMENT (CLASS: RESIDENTIAL)

There are four comparable properties in a neighborhood that are assessed at $45,000. A fifth property with very similar characteristics is assessed for $38,000. The assessor increases the assessment of this fifth property by $7,000 to equal the assessments of the other similar properties. The 2007 taxable value was $33,500. There were no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$38,000
Prior Year (2007) Taxable Value:	$33,500
Current Year (2008) Assessed Value:	$45,000
Current Year (2008) Taxable Value:	$34,270
Current Year (2008) Capped Value:	$34,270

2008 Equalization Plus Adjustment:	$45,000	-	$38,000	=	$7,000
Ratio of Taxable Value to Assessed Value:	$33,500	÷	$38,000	=	0.8816

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $7,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($33,500 - $0) x 1.023] + $0
CV = $34,270

Summary:

2007 Assessed Value:	$38,000	2008 Assessed Value:	$45,000
2007 Capped Value:	$33,500	2008 Capped Value:	$34,270
2007 Taxable Value:	$33,500	2008 Taxable Value:	$34,270

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM B, PLUS ADJUSTMENT (CLASS: RESIDENTIAL)

Growth of neighboring communities has spread to the Township where you are the assessor. Increased demand for housing in your Township has led to increases in market value for housing. A home which was worth $200,000 last year is worth $220,000 this year (market value). The taxable value of this parcel last year was $75,000. There have been no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

2008 Equalization Plus Adjustment: ________ - ________ = ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x ________] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM B, PLUS ADJUSTMENT (CLASS: RESIDENTIAL)

Growth of neighboring communities has spread to the Township where you are the assessor. Increased demand for housing in your Township has led to increases in market value for housing. A home which was worth $200,000 last year is worth $220,000 this year (market value). The taxable value of this parcel last year was $75,000. There have been no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $100,000
Prior Year (2007) Taxable Value: $75,000

Current Year (2008) Assessed Value: $110,000
Current Year (2008) Taxable Value: $76,725
Current Year (2008) Capped Value: $76,725

2008 Equalization Plus Adjustment: $110,000 - $100,000 = $10,000

Ratio of Taxable Value to Assessed Value: $75,000 ÷ $100,000 = 0.7500

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $10,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($75,000 - $0) x 1.023] + $0
CV = $76,725

Summary:

2007 Assessed Value:	$100,000	2008 Assessed Value:	$110,000
2007 Capped Value:	$75,000	2008 Capped Value:	$76,725
2007 Taxable Value:	$75,000	2008 Taxable Value:	$76,725

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM C, PLUS ADJUSTMENT (CLASS: COMMERCIAL)

A new regional shopping center has just been completed one half mile from a vacant commercial parcel. Increased demand in the vicinity of the new mall has led to increases in market value for commercial vacant land. This parcel was previously worth $300,000; it is worth $375,000 this year (market value). The taxable value of this parcel last year was $125,000. There have been no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

2008 Equalization Plus Adjustment: ________ - ________ = ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value: ________ 2008 Assessed Value: ________
2007 Capped Value: ________ 2008 Capped Value: ________
2007 Taxable Value: ________ 2008 Taxable Value: ________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM C, PLUS ADJUSTMENT (CLASS: COMMERCIAL)

A new regional shopping center has just been completed one half mile from a vacant commercial parcel. Increased demand in the vicinity of the new mall has led to increases in market value for commercial vacant land. This parcel was previously worth $300,000; it is worth $375,000 this year (market value). The taxable value of this parcel last year was $125,000. There have been no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $150,000
Prior Year (2007) Taxable Value: $125,000

Current Year (2008) Assessed Value: $187,500
Current Year (2008) Taxable Value: $127,875
Current Year (2008) Capped Value: $127,875

2008 Equalization Plus Adjustment: $187,500 - $150,000 = $37,500

Ratio of Taxable Value to Assessed Value: $125,000 ÷ $150,000 = 0.8333

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $37,500

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($125,000 - $0) x 1.023] + $0
CV = $127,875

Summary:

2007 Assessed Value:	$150,000	2008 Assessed Value:	$187,500
2007 Capped Value:	$125,000	2008 Capped Value:	$127,875
2007 Taxable Value:	$125,000	2008 Taxable Value:	$127,875

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM D, PLUS ADJUSTMENT (CLASS: RESIDENTIAL)

You are the new assessor for the Township. Before you arrived, the Township had never been divided into neighborhoods for assessment purposes. You establish proper neighborhoods and determine that a parcel's assessment must be increased from $125,000 last year to $135,000 this year based on your analysis of neighborhood sales information. The taxable value of this parcel was $88,000 last year. There have been no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Plus Adjustment: __________ - __________ = __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x __________] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM D, PLUS ADJUSTMENT (CLASS: RESIDENTIAL)

You are the new assessor for the Township. Before you arrived, the Township had never been divided into neighborhoods for assessment purposes. You establish proper neighborhoods and determine that a parcel's assessment must be increased from $125,000 last year to $135,000 this year based on your analysis of neighborhood sales information. The taxable value of this parcel was $88,000 last year. There have been no physical changes to this parcel since last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $125,000
Prior Year (2007) Taxable Value: $88,000

Current Year (2008) Assessed Value: $135,000
Current Year (2008) Taxable Value: $90,024
Current Year (2008) Capped Value: $90,024

2008 Equalization Plus Adjustment: $135,000 - $125,000 = $10,000

Ratio of Taxable Value to Assessed Value: $88,000 ÷ $125,000 = 0.7040

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $10,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($88,000 - $0) x 1.023] + $0
CV = $90,024

Summary:

2007 Assessed Value:	$125,000	2008 Assessed Value:	$135,000
2007 Capped Value:	$88,000	2008 Capped Value:	$90,024
2007 Taxable Value:	$88,000	2008 Taxable Value:	$90,024

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM E, MINUS ADJUSTMENT (CLASS: COMMERCIAL)

You are the assessor of the Township. Vacant 10-acre parcels in a commercial neighborhood are valued at $30,000 each (true cash value). During a review of the neighborhood, you identify one 10-acre parcel valued at $35,000 (true cash value). It is determined that this parcel should also be valued at $30,000 (true cash value). The assessment is lowered from $17,500 to $15,000. The 2007 taxable value was $13,500. There were no physical changes to this property over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

2008 Equalization Minus Adjustment: ________ - ________ = ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM E, MINUS ADJUSTMENT (CLASS: COMMERCIAL)

You are the assessor of the Township. Vacant 10-acre parcels in a commercial neighborhood are valued at $30,000 each (true cash value). During a review of the neighborhood, you identify one 10-acre parcel valued at $35,000 (true cash value). It is determined that this parcel should also be valued at $30,000 (true cash value). The assessment is lowered from $17,500 to $15,000. The 2007 taxable value was $13,500. There were no physical changes to this property over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $17,500
Prior Year (2007) Taxable Value: $13,500

Current Year (2008) Assessed Value: $15,000
Current Year (2008) Taxable Value: $13,810
Current Year (2008) Capped Value: $13,810

2008 Equalization Minus Adjustment: $15,000 - $17,500 = -$2,500

Ratio of Taxable Value to Assessed Value: $13,500 ÷ $17,500 = 0.7714

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: -$2,500

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($13,500 - $0) x 1.023] + $0
CV = $13,810

Summary:

2007 Assessed Value:	$17,500	2008 Assessed Value:	$15,000
2007 Capped Value:	$13,500	2008 Capped Value:	$13,810
2007 Taxable Value:	$13,500	2008 Taxable Value:	$13,810

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM F, MINUS ADJUSTMENT (CLASS: RESIDENTIAL)

Manufacturing job losses in your Township have resulted in declining residential market values. Based on sales information, you determine that a residential assessment must be reduced from $300,000 to $225,000 this year. The 2007 taxable value was $250,000. There were no physical changes to this parcel in the last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Minus Adjustment: __________ - __________ = __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM F, MINUS ADJUSTMENT (CLASS: RESIDENTIAL)

Manufacturing job losses in your Township have resulted in declining residential market values. Based on sales information, you determine that a residential assessment must be reduced from $300,000 to $225,000 this year. The 2007 taxable value was $250,000. There were no physical changes to this parcel in the last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$300,000
Prior Year (2007) Taxable Value:	$250,000
Current Year (2008) Assessed Value:	$225,000
Current Year (2008) Taxable Value:	$225,000
Current Year (2008) Capped Value:	$255,750

2008 Equalization Minus Adjustment:	$225,000	-	$300,000	=	-$75,000
Ratio of Taxable Value to Assessed Value:	$250,000	÷	$300,000	=	0.8333

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: -$75,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions

CV = [($250,000 - $0) x 1.023] + $0

CV = $255,750

Summary:

2007 Assessed Value:	$300,000	2008 Assessed Value:	$225,000
2007 Capped Value:	$250,000	2008 Capped Value:	$255,750
2007 Taxable Value:	$250,000	2008 Taxable Value:	$225,000

L-4025 Additions: $0
L-4025 Losses: $0

Note: The assessed value is lower than the capped value. Therefore, the taxable value is the assessed value.

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PROBLEM G, MINUS ADJUSTMENT (CLASS: RESIDENTIAL)

A local school district is in decline and the market for residential property within that school district has recognized this fact. The assessment of a home in that school district has decreased from $95,000 last year to $85,000 this year. The 2007 taxable value was $55,000. There have been no physical changes to this parcel in the last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

2008 Equalization Minus Adjustment: ________ - ________ = ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM G, MINUS ADJUSTMENT (CLASS: RESIDENTIAL)

A local school district is in decline and the market for residential property within that school district has recognized this fact. The assessment of a home in that school district has decreased from $95,000 last year to $85,000 this year. The 2007 taxable value was $55,000. There have been no physical changes to this parcel in the last year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $95,000
Prior Year (2007) Taxable Value: $55,000

Current Year (2008) Assessed Value: $85,000
Current Year (2008) Taxable Value: $56,265
Current Year (2008) Capped Value: $56,265

2008 Equalization Minus Adjustment: $85,000 - $95,000 = -$10,000

Ratio of Taxable Value to Assessed Value: $55,000 ÷ $95,000 = 0.5789

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: -$10,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($55,000 - $0) x 1.023] + $0
CV = $56,265

Summary:

2007 Assessed Value:	$95,000	2008 Assessed Value:	$85,000
2007 Capped Value:	$55,000	2008 Capped Value:	$56,265
2007 Taxable Value:	$55,000	2008 Taxable Value:	$56,265

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM H, NEW CONSTRUCTION (CLASS: RESIDENTIAL)

A two-story house was built on property with a 2007 assessment, as vacant land, of $25,000 and a 2007 taxable value of $15,000. The assessor added $80,000 to the 2008 assessment. Of the increase, $78,000 was for new construction (additions) and $2,000 of the increase was for improved market conditions affecting the land value (plus adjustment).

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Total Increase from 2007 to 2008: ________ - ________ = ________
Total Increase from New Construction: - ________
Total Change due to Adjustment: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM H, NEW CONSTRUCTION (CLASS: RESIDENTIAL)

A two-story house was built on property with a 2007 assessment, as vacant land, of $25,000 and a 2007 taxable value of $15,000. The assessor added $80,000 to the 2008 assessment. Of the increase, $78,000 was for new construction (additions) and $2,000 of the increase was for improved market conditions affecting the land value (plus adjustment).

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$25,000
Prior Year (2007) Taxable Value:	$15,000

Current Year (2008) Assessed Value:	$105,000
Current Year (2008) Taxable Value:	$93,345
Current Year (2008) Capped Value:	$93,345

Total Increase from 2007 to 2008:	$105,000	-	$25,000	=	$80,000
Total Increase from New Construction:					- $78,000
Total Change due to Adjustment:					$2,000

Ratio of Taxable Value to Assessed Value:	$15,000	÷	$25,000	=	0.6000

Equalization **New**: $78,000 Headlee **Additions**: $78,000

Capped Calculation Additions: $78,000

Equalization Adjustment: $2,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions

CV = [($15,000 - $0) x 1.023] + $78,000

CV = $93,345

Summary:

2007 Assessed Value:	$25,000	2008 Assessed Value:	$105,000
2007 Capped Value:	$15,000	2008 Capped Value:	$93,345
2007 Taxable Value:	$15,000	2008 Taxable Value:	$93,345

L-4025 Additions:	$78,000
L-4025 Losses:	$0

PROBLEM I, NEW CONSTRUCTION (CLASS: RESIDENTIAL)

A property owner built an addition to her home and the assessor has decided that the addition added $75,000 in true cash value to the property. Before the construction, the 2007 assessed value was $100,000 and the taxable value was $78,000. There was no assessed value change due to general market factors and no other physical changes to the parcel.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Total Increase from 2007 to 2008: ________ - ________ = ________
Total Increase due to New Construction: - ________
Total Change due to Adjustment: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM I, NEW CONSTRUCTION (CLASS: RESIDENTIAL)

A property owner built an addition to her home and the assessor has decided that the addition added $75,000 in true cash value to the property. Before the construction, the 2007 assessed value was $100,000 and the taxable value was $78,000. There was no assessed value change due to general market factors and no other physical changes to the parcel.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$100,000
Prior Year (2007) Taxable Value:	$78,000

Current Year (2008) Assessed Value:	$137,500
Current Year (2008) Taxable Value:	$117,294
Current Year (2008) Capped Value:	$117,294

Total Increase from 2007 to 2008:	$137,500	-	$100,000	=	$37,500
Total Increase due to New Construction:					- $37,500
Total Change due to Adjustment:					$0
Ratio of Taxable Value to Assessed Value:	$78,000	÷	$100,000	=	0.7800

Equalization **New**: $37,500 Headlee **Additions**: $37,500

Capped Calculation Additions: $37,500

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($78,000 - $0) x 1.023] + $37,500
CV = $117,294

Summary:

2007 Assessed Value:	$100,000	2008 Assessed Value:	$137,500
2007 Capped Value:	$78,000	2008 Capped Value:	$117,294
2007 Taxable Value:	$78,000	2008 Taxable Value:	$117,294

L-4025 Additions:	$37,500
L-4025 Losses:	$0

PROBLEM J, NEW CONSTRUCTION (CLASS: RESIDENTIAL)

For 2007 the home on a parcel was considered to be 75 percent complete and the assessor placed a partial assessment of $125,000 on the parcel. The home was completed for the 2008 tax year and the assessor has determined the 2008 assessed value to be $155,000. Of the $30,000 increase in assessed value, $25,000 was attributable to the new construction and the remaining $5,000 was attributable to general market increases for this parcel. The 2007 taxable value was $88,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ______
Prior Year (2007) Taxable Value: ______

Current Year (2008) Assessed Value: ______
Current Year (2008) Taxable Value: ______
Current Year (2008) Capped Value: ______

Total Increase from 2007 to 2008: ______ - ______ = ______
Total Increase due to New Construction: - ______
Total Change due to Adjustment: ______

Ratio of Taxable Value to Assessed Value: ______ ÷ ______ = ______

Equalization **New**: ______ Headlee **Additions**: ______

Capped Calculation Additions: ______

Equalization Adjustment: ______

Equalization **Loss**: ______ Headlee **Losses**: ______

Capped Calculation Losses: ______

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(______ - ______) x 1.023] + ______
CV = ______

Summary:

2007 Assessed Value:	______	2008 Assessed Value:	______
2007 Capped Value:	______	2008 Capped Value:	______
2007 Taxable Value:	______	2008 Taxable Value:	______

L-4025 Additions: ______
L-4025 Losses: ______

PROBLEM J, NEW CONSTRUCTION (CLASS: RESIDENTIAL)

For 2007 the home on a parcel was considered to be 75 percent complete and the assessor placed a partial assessment of $125,000 on the parcel. The home was completed for the 2008 tax year and the assessor has determined the 2008 assessed value to be $155,000. Of the $30,000 increase in assessed value, $25,000 was attributable to the new construction and the remaining $5,000 was attributable to general market increases for this parcel. The 2007 taxable value was $88,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $125,000
Prior Year (2007) Taxable Value: $88,000

Current Year (2008) Assessed Value: $155,000
Current Year (2008) Taxable Value: $115,024
Current Year (2008) Capped Value: $115,024

Total Increase from 2007 to 2008:	$155,000	-	$125,000	=	$30,000
Total Increase due to New Construction:					- $25,000
Total Change due to Adjustment:					$5,000
Ratio of Taxable Value to Assessed Value:	$88,000	÷	$125,000	=	0.7040

Equalization **New**: $25,000 Headlee **Additions**: $25,000

Capped Calculation Additions: $25,000

Equalization Adjustment: $5,000

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($88,000 - $0) x 1.023] + $25,000
CV = $115,024

Summary:

2007 Assessed Value:	$125,000	2008 Assessed Value:	$155,000
2007 Capped Value:	$88,000	2008 Capped Value:	$115,024
2007 Taxable Value:	$88,000	2008 Taxable Value:	$115,024

L-4025 Additions: $25,000
L-4025 Losses: $0

PROBLEM K1, POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2008 the March Board of Review granted a full poverty exemption to a residential parcel. The 2008 assessment was $75,000 and the 2008 taxable value was $47,351 before Board of Review action. The 2007 assessed value for this parcel was $72,000 and the 2007 taxable value was $46,287.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM K1, POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2008 the March Board of Review granted a full poverty exemption to a residential parcel. The 2008 assessment was $75,000 and the 2008 taxable value was $47,351 before Board of Review action. The 2007 assessed value for this parcel was $72,000 and the 2007 taxable value was $46,287.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $72,000
Prior Year (2007) Taxable Value: $46,287

Current Year (2008) Assessed Value: $0
Current Year (2008) Taxable Value: $0
Current Year (2008) Capped Value: $0

Ratio of Taxable Value to Assessed Value: $46,287 ÷ $72,000 = 0.6429

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $72,000 Headlee **Losses**: $46,287

Capped Calculation Losses: $46,287

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($46,287 - $46,287) x 1.023] + $0
CV = $0

Summary:

2007 Assessed Value:	$72,000	2008 Assessed Value:	$0
2007 Capped Value:	$46,287	2008 Capped Value:	$0
2007 Taxable Value:	$46,287	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $46,287

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PROBLEM K2, PRIOR YEAR POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2007 the March Board of Review granted a 50 percent poverty exemption to a residential parcel. The 2007 assessment was reduced from $60,000 to $30,000 and the 2007 taxable value was reduced from $50,000 to $25,000. The market for this property was flat (i.e., unchanged) from 2007 to 2008. The property owner appealed again to the 2008 March Board of Review for a poverty exemption, but the appeal was denied. There have been no physical changes to this parcel over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM K2, PRIOR YEAR POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2007 the March Board of Review granted a 50 percent poverty exemption to a residential parcel. The 2007 assessment was reduced from $60,000 to $30,000 and the 2007 taxable value was reduced from $50,000 to $25,000. The market for this property was flat (i.e., unchanged) from 2007 to 2008. The property owner appealed again to the 2008 March Board of Review for a poverty exemption, but the appeal was denied. There have been no physical changes to this parcel over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $30,000
Prior Year (2007) Taxable Value: $25,000

Current Year (2008) Assessed Value: $60,000
Current Year (2008) Taxable Value: $51,150
Current Year (2008) Capped Value: $51,150

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $30,000 = 0.8333

Equalization **New**: $30,000

Headlee **Additions**: $25,575
($50,000 x 1.023) - ($25,000 x 1.023) = $25,575

Capped Calculation Additions: $25,575

Equalization Adjustment: $0

Equalization **Loss**: $0

Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $25,575
CV = $51,150

Summary:

2007 Assessed Value:	$30,000	2008 Assessed Value:	$60,000
2007 Capped Value:	$25,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$25,000	2008 Taxable Value:	$51,150

L-4025 Additions: $25,575
L-4025 Losses: $0

PROBLEM K3, PRIOR YEAR POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2007 the March Board of Review granted a full poverty exemption to a residential parcel. The 2007 assessment was reduced from $65,000 to $0 and the 2007 taxable value was reduced from $48,000 to $0. The market for this property was flat (i.e., unchanged) from 2007 to 2008. The property owner appealed again to the 2008 March Board of Review for a poverty exemption, but the appeal was denied. There have been no physical changes to this parcel over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM K3, PRIOR YEAR POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2007 the March Board of Review granted a full poverty exemption to a residential parcel. The 2007 assessment was reduced from $65,000 to $0 and the 2007 taxable value was reduced from $48,000 to $0. The market for this property was flat (i.e., unchanged) from 2007 to 2008. The property owner appealed again to the 2008 March Board of Review for a poverty exemption, but the appeal was denied. There have been no physical changes to this parcel over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $0
Prior Year (2007) Taxable Value: $0

Current Year (2008) Assessed Value: $65,000
Current Year (2008) Taxable Value: $49,104
Current Year (2008) Capped Value: $49,104

Ratio of Taxable Value to Assessed Value: $0 ÷ $0 = ---

Equalization **New**: $65,000 Headlee **Additions**: $49,104
($48,000 x 1.023) - ($0 x 1.023) = $49,104

Capped Calculation Additions: $49,104

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($0 - $0) x 1.023] + $49,104
CV = $49,104

Summary:

2007 Assessed Value:	$0	2008 Assessed Value:	$65,000
2007 Capped Value:	$0	2008 Capped Value:	$49,104
2007 Taxable Value:	$0	2008 Taxable Value:	$49,104

L-4025 Additions: $49,104
L-4025 Losses: $0

PROBLEM K4, PRIOR YEAR POVERTY EXEMPTION/ CURRENT YEAR POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2007 the March Board of Review granted a full poverty exemption to a residential parcel. The 2007 assessment was reduced from $65,000 to $0 and the 2007 taxable value was reduced from $48,000 to $0. The market for this property was flat (i.e., unchanged) from 2007 to 2008. The property owner appealed again to the 2008 March Board of Review for a poverty exemption, and the appeal was granted. There have been no physical changes to this parcel over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM K4, PRIOR YEAR POVERTY EXEMPTION/ CURRENT YEAR POVERTY EXEMPTION (CLASS: RESIDENTIAL)

In 2007 the March Board of Review granted a full poverty exemption to a residential parcel. The 2007 assessment was reduced from $65,000 to $0 and the 2007 taxable value was reduced from $48,000 to $0. The market for this property was flat (i.e., unchanged) from 2007 to 2008. The property owner appealed again to the 2008 March Board of Review for a poverty exemption, and the appeal was granted. There have been no physical changes to this parcel over the past year.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $0
Prior Year (2007) Taxable Value: $0

Current Year (2008) Assessed Value: $0
Current Year (2008) Taxable Value: $0
Current Year (2008) Capped Value: $0

Ratio of Taxable Value to Assessed Value: $0 ÷ $0 = ---

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($0 - $0) x 1.023] + $0
CV = $0

Summary:

2007 Assessed Value:	$0	2008 Assessed Value:	$0
2007 Capped Value:	$0	2008 Capped Value:	$0
2007 Taxable Value:	$0	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM L, CLASSIFICATION CHANGE

The assessor reviewed the agricultural class of parcels in the Township and determined that the proper class for a certain parcel of land was residential. The assessor changed the class of the parcel from agricultural to residential (101 to 401). The 2007 assessed value was $45,000. The 2008 assessment is $55,000. The 2007 taxable value was $20,000. There was no assessed value increase due to general market factors and no physical change to the parcel occurred in 2007.

2008 Equalization Loss: ________

2008 Equalization New: ________

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss:** ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM L, CLASSIFICATION CHANGE

The assessor reviewed the agricultural class of parcels in the Township and determined that the proper class for a certain parcel of land was residential. The assessor changed the class of the parcel from agricultural to residential (101 to 401). The 2007 assessed value was $45,000. The 2008 assessment is $55,000. The 2007 taxable value was $20,000. There was no assessed value increase due to general market factors and no physical change to the parcel occurred in 2007.

2008 Equalization Loss: $45,000 (The 2007 Assessed Value as Determined by the March Board of Review, Agricultural Class)

2008 Equalization New: $55,000 (The 2008 Assessed Value, Residential Class)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $45,000
Prior Year (2007) Taxable Value: $20,000

Current Year (2008) Assessed Value: $55,000
Current Year (2008) Taxable Value: $20,460
Current Year (2008) Capped Value: $20,460

Ratio of Taxable Value to Assessed Value: $20,000 ÷ $45,000 = 0.4444

Equalization **New**: $55,000 (401) Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss:** $45,000 (101) Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($20,000 - $0) x 1.023] + $0
CV = $20,460

Summary:

2007 Assessed Value:	$45,000	2008 Assessed Value:	$55,000
2007 Capped Value:	$20,000	2008 Capped Value:	$20,460
2007 Taxable Value:	$20,000	2008 Taxable Value:	$20,460

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM L, CLASSIFICATION CHANGE, CONTINUED

Because there were no physical changes to the property, there were no (Headlee) losses or additions. There were no capped value losses. The equalization loss that occurs in the agricultural classification due to the class change appears on Form L-4021 and is carried through to Forms L-4022 and L-4023. The equalization new that applies to the residential classification appears on Form L-4021 and is also carried through to Forms L-4022 and L-4023.

PROBLEM M, OMITTED PROPERTY (CLASS: RESIDENTIAL)

It was determined that a pole barn was built in 2006 without the proper permits and was therefore omitted from the 2007 assessment roll. The assessor filed a petition with the State Tax Commission under Michigan Compiled Law (MCL) 211.154 to add $10,000 to the 2007 assessment roll. The Commission issued an order on August 4, 2007 approving the assessor's request. Before the Commission action, the 2007 March Board of Review assessed value was $50,000 and the 2007 taxable value was $40,000. Assume that no assessed value increase was required due to general market factors. Determine the new 2007 and 2008 assessed, capped, and taxable values.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________

Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________ (See State Tax Commission Bulletin No. 2 of 1996.)

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

	REVISED, MCL 211.154		**REVISED, MCL 211.154**
2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM M, OMITTED PROPERTY (CLASS: RESIDENTIAL)

It was determined that a pole barn was built in 2006 without the proper permits and was therefore omitted from the 2007 assessment roll. The assessor filed a petition with the State Tax Commission under Michigan Compiled Law (MCL) 211.154 to add $10,000 to the 2007 assessment roll. The Commission issued an order on August 4, 2007 approving the assessor's request. Before the Commission action, the 2007 March Board of Review assessed value was $50,000 and the 2007 taxable value was $40,000. Assume that no assessed value increase was required due to general market factors. Determine the new 2007 and 2008 assessed, capped, and taxable values.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $60,000 ($50,000 original assessed value + $10,000 omitted assessed value, MCL 211.154)
Prior Year (2007) Taxable Value: $50,000 ($40,000 original taxable value + $10,000 omitted taxable value, MCL 211.154)

Current Year (2008) Assessed Value: $60,000
Current Year (2008) Taxable Value: $51,150
Current Year (2008) Capped Value: $51,150

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $60,000 = 0.8333

Equalization **New**: $10,000 (2008) Headlee **Additions**: $10,000 (2008)

Capped Calculation Additions: $0 (See State Tax Commission Bulletin No. 2 of 1996.)

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150

Summary:

	REVISED, MCL 211.154		REVISED, MCL 211.154
2007 Assessed Value:	$60,000	2008 Assessed Value:	$60,000
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$51,150

L-4025 Additions: $10,000
L-4025 Losses: $0

PROBLEM M, OMITTED PROPERTY (CLASS: RESIDENTIAL), CONTINUED

It should be noted that the 2007 March Board of Review values have been adjusted to reflect the new pole barn. The 2008 taxable value is to be calculated beginning with the revised 2007 taxable value. The capped value additions have already been considered when the 2007 taxable value was recalculated. The $10,000 Headlee additions are not used in the capped value formula for 2008. Because the current capped value is calculated using the prior year's final taxable value, there would be no capped value additions for the 2008 year. Because the pole barn value was not previously included in the millage rollback calculations, there will be additions for the Headlee and truth-in-taxation rollbacks for 2008.

The final 2007 assessed value is $60,000. However, Form L-4021 shows values for each year as of the close of the March Board of Review. The 2007 assessed value appeared as $50,000 on this form, requiring the need for $10,000 in equalization new for 2008.

Note: The same process is to be followed for changes ordered by the July or December Board of Review and the Michigan Tax Tribunal, as long as the changes include additions such as the additions for the missing pole barn in the example.

PROBLEM M1, OMITTED PROPERTY (CLASS: RESIDENTIAL)

It was determined that a pole barn was built in 2006 without the proper permits and was therefore omitted from the 2007 assessment roll. In late December of 2007, the assessor filed a petition with the State Tax Commission under Michigan Compiled Law (MCL) 211.154 to add $10,000 to the 2007 assessment roll. The Commission issued an order on **June 4, 2008** approving the assessor's request and including the 2008 year. Before the Commission action, the 2007 March Board of Review assessed value was $50,000 and the 2007 taxable value was $40,000. Assume that no assessed value increase was required due to general market factors. Determine the new 2007 and 2008 assessed, capped, and taxable values.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________

Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

	REVISED, MCL 211.154		**REVISED, MCL 211.154**
2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM M1, OMITTED PROPERTY (CLASS: RESIDENTIAL)

It was determined that a pole barn was built in 2006 without the proper permits and was therefore omitted from the 2007 assessment roll. In late December of 2007, the assessor filed a petition with the State Tax Commission under Michigan Compiled Law (MCL) 211.154 to add $10,000 to the 2007 assessment roll. The Commission issued an order on **June 4, 2008** approving the assessor's request and including the 2008 year. Before the Commission action, the 2007 March Board of Review assessed value was $50,000 and the 2007 taxable value was $40,000. Assume that no assessed value increase was required due to general market factors. Determine the new 2007 and 2008 assessed, capped, and taxable values.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $60,000 ($50,000 original assessed value + $10,000 omitted assessed value, MCL 211.154)

Prior Year (2007) Taxable Value: $50,000 ($40,000 original taxable value + $10,000 omitted taxable value, MCL 211.154)

Current Year (2008) Assessed Value: $60,000
Current Year (2008) Taxable Value: $51,150
Current Year (2008) Capped Value: $51,150

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $60,000 = 0.8333

Equalization **New**: $0 (2008) Headlee **Additions**: $0 (2008)

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150

Summary:

	REVISED, MCL 211.154		**REVISED, MCL 211.154**
2007 Assessed Value:	$60,000	2008 Assessed Value:	$60,000
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$51,150

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM M1, OMITTED PROPERTY (CLASS: RESIDENTIAL), CONTINUED

The 2007 and 2008 values have been set by the State Tax Commission. There are no new, loss, additions, or losses for 2008 since the order from the Commission comes after the 2008 assessment roll has been finalized. For 2009, there will be no capped value additions for the reason explained in problem M. For 2009 there will be new and Headlee additions for the omitted property.

Note: This problem was included in the 2007-2008 certification renewal program materials (the years involved were adjusted, but no other significant change was made to the fact set of the problem). In the 2007-2008 certification renewal program materials, however, the $10,000 in new and Headlee additions was incorrectly applied in the year of the Commission order. This was incorrect since the date of the order came after the finalization of the assessment roll for that year. Problem M1 is included here to remedy the incorrect information contained in the 2007-2008 certification renewal program materials and to ensure that correct procedures are used in such situations.

PROBLEM N, EQUALIZATION LOSS/SPLIT (CLASS: AGRICULTURAL)

A farmer has made application to split his 80-acre farm into two equal 40-acre parcels. The 80-acre parcel was assessed at $80,000. The assessor retired the parcel number for the 80-acre parcel and created two new parcels for the two new 40-acre child parcels. There was no change in assessed value because of economic or inflationary factors for this property. For this example, the 40-acre parcels are valued at the same rate per acre as the original 80-acre parcel. The 2007 taxable value was $50,000.

Parent Parcel (80 Acres)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

2008 Equalization Loss: ________
2008 Headlee Losses: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM N, EQUALIZATION LOSS/SPLIT (CLASS: AGRICULTURAL)

A farmer has made application to split his 80-acre farm into two equal 40-acre parcels. The 80-acre parcel was assessed at $80,000. The assessor retired the parcel number for the 80-acre parcel and created two new parcels for the two new 40-acre child parcels. There was no change in assessed value because of economic or inflationary factors for this property. For this example, the 40-acre parcels are valued at the same rate per acre as the original 80-acre parcel. The 2007 taxable value was $50,000.

	Parent Parcel (80 Acres)	
Inflation Rate Multiplier (IRM):	1.023	
Prior Year (2007) Assessed Value:	$80,000	
Prior Year (2007) Taxable Value:	$50,000	
Current Year (2008) Assessed Value:	$0	
Current Year (2008) Taxable Value:	$0	
Current Year (2008) Capped Value:	$51,150	(Disregarded due to parcel retirement)

2008 Equalization Loss: $80,000 (Loss is the entire parent parcel's assessed value.)
2008 Headlee Losses: $0 (There were no physical changes to the property, etc.)

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $80,000 = 0.6250

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $80,000 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150 (However, no calculation is required because the parcel is retired for 2008.)

Summary:

2007 Assessed Value:	$80,000	2008 Assessed Value:	$0
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEMS N1 AND N2, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL)

Child Parcels (40 Acres Each)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcels to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcels was $80,000 each. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________
Prior Year (2007) Capped Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEMS N1 AND N2, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL)

Child Parcels (40 Acres Each)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcels to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcels was $80,000 each. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$40,000	(Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value:	$25,000	(Allocated from 2007 Taxable Value)
Prior Year (2007) Capped Value:	$25,000	(Allocated from 2007 Capped Value)

Current Year (2008) Assessed Value:	$40,000
Current Year (2008) Taxable Value:	$25,575
Current Year (2008) Capped Value:	$25,575

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $40,000 = 0.6250

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There is no adjustment on the child parcels because they are to be treated entirely as equalization new for 2008.

Equalization **New**: $40,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $0
CV = $25,575

Summary:

2007 Assessed Value:	$40,000	2008 Assessed Value:	$40,000
2007 Capped Value:	$25,000	2008 Capped Value:	$25,575
2007 Taxable Value:	$25,000	2008 Taxable Value:	$25,575

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEMS N1 AND N2, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL), CONTINUED

Proof (Child parcels' taxable values should always total to the parent parcel's taxable value from the prior year multiplied by the inflation rate multiplier (IRM).*):
Previous Taxable Value of Parent Parcel x IRM = $50,000 x 1.023 = $51,150
Current Taxable Values of Child Parcels = $25,575 x 2 parcels = $51,150

*Exceptions include situations where there has been new construction on one or more of the child parcels or a transfer of ownership has taken place.

PROBLEM O, EQUALIZATION LOSS/SPLIT (CLASS: AGRICULTURAL)

Assume the same set of facts used in problems N, N1, and N2, except that one of the child parcels sold in 2007 and should be uncapped for 2008. A farmer made application to split his 80-acre farm into two equal 40-acre parcels. The 80-acre parcel was assessed at $80,000. The assessor retired the parcel number for the 80-acre parcel and created two new parcels for the two new 40-acre child parcels. There was no change in assessed value because of economic or inflationary factors for this property. For this example, the 40-acre parcels are valued at the same rate per acre as the original 80-acre parcel. The 2007 taxable value was $50,000. There was a transfer of ownership for one of the child parcels in 2007.

Parent Parcel (80 Acres)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Loss: __________
2008 Headlee Losses: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM O, EQUALIZATION LOSS/SPLIT (CLASS: AGRICULTURAL)

Assume the same set of facts used in problems N, N1, and N2, except that one of the child parcels sold in 2007 and should be uncapped for 2008. A farmer made application to split his 80-acre farm into two equal 40-acre parcels. The 80-acre parcel was assessed at $80,000. The assessor retired the parcel number for the 80-acre parcel and created two new parcels for the two new 40-acre child parcels. There was no change in assessed value because of economic or inflationary factors for this property. For this example, the 40-acre parcels are valued at the same rate per acre as the original 80-acre parcel. The 2007 taxable value was $50,000. There was a transfer of ownership for one of the child parcels in 2007.

		Parent Parcel (80 Acres)	
Inflation Rate Multiplier (IRM):	1.023		
Prior Year (2007) Assessed Value:		$80,000	
Prior Year (2007) Taxable Value:		$50,000	
Current Year (2008) Assessed Value:		$0	
Current Year (2008) Taxable Value:		$0	
Current Year (2008) Capped Value:		$51,150	(Disregarded due to parcel retirement)

2008 Equalization Loss: $80,000 (Loss is the entire parent parcel's assessed value.)
2008 Headlee Losses: $0 (There were no physical changes to the property, etc.)

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $80,000 = 0.6250

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $80,000 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150 (However, no calculation is required because the parcel is retired for 2008.)

Summary:

2007 Assessed Value:	$80,000	2008 Assessed Value:	$0
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM O1, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL)

Child Parcel, No Transfer of Ownership (40 Acres)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________
Prior Year (2007) Capped Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM O1, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL)

Child Parcel, No Transfer of Ownership (40 Acres)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$40,000	(Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value:	$25,000	(Allocated from 2007 Taxable Value)
Prior Year (2007) Capped Value:	$25,000	(Allocated from 2007 Capped Value)

Current Year (2008) Assessed Value:	$40,000
Current Year (2008) Taxable Value:	$25,575
Current Year (2008) Capped Value:	$25,575

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $40,000 = 0.6250

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There is no adjustment on the child parcel because it is to be treated entirely as equalization new for 2008.

Equalization **New**: $40,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $0
CV = $25,575

Summary:

2007 Assessed Value:	$40,000	2008 Assessed Value:	$40,000
2007 Capped Value:	$25,000	2008 Capped Value:	$25,575
2007 Taxable Value:	$25,000	2008 Taxable Value:	$25,575

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM O2, EQUALIZATION NEW/SPLIT WITH TRANSFER OF OWNERSHIP (CLASS: AGRICULTURAL)

Child Parcel, 2007 Transfer of Ownership (40 Acres)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________
Prior Year (2007) Capped Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value: ________ 2008 Assessed Value: ________
2007 Capped Value: ________ 2008 Capped Value: ________
2007 Taxable Value: ________ 2008 Taxable Value: ________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM O2, EQUALIZATION NEW/SPLIT WITH TRANSFER OF OWNERSHIP (CLASS: AGRICULTURAL)

Child Parcel, 2007 Transfer of Ownership (40 Acres)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$40,000	(Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value:	$25,000	(Allocated from 2007 Taxable Value)
Prior Year (2007) Capped Value:	$25,000	(Allocated from 2007 Capped Value)
Current Year (2008) Assessed Value:	$40,000	
Current Year (2008) Taxable Value:	$40,000	(Uncapped due to transfer of ownership)
Current Year (2008) Capped Value:	$25,575	(Disregarded due to transfer of ownership)

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $40,000 = 0.6250

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There is no adjustment on the child parcel because it is to be treated entirely as equalization new for 2008.

Equalization **New**: $40,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $0
CV = $25,575

Summary:

2007 Assessed Value:	$40,000	2008 Assessed Value:	$40,000
2007 Capped Value:	$25,000	2008 Capped Value:	$25,575
2007 Taxable Value:	$25,000	2008 Taxable Value:	$40,000

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM P, EQUALIZATION LOSS/SPLIT (CLASS: AGRICULTURAL)

Assume the same set of facts used in problems N, N1, and N2, except that one of the child parcels sold in 2007 and must be uncapped for 2008 and the new owner of that parcel added a farm structure with a market value of $70,000 in 2007. A farmer made application to split his 80-acre farm into two equal 40-acre parcels. The 80-acre parcel was assessed at $80,000. The assessor retired the parcel number for the 80-acre parcel and created two new parcels for the two new 40-acre child parcels. There was no change in assessed value because of economic or inflationary factors for this property. For this example, the 40-acre parcels are valued at the same rate per acre as the original 80-acre parcel. The 2007 taxable value was $50,000. The child parcel that had a transfer of ownership must be uncapped for 2008 and the new construction must be added to the assessment roll.

Parent Parcel (80 Acres)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Loss: __________
2008 Headlee Losses: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM P, EQUALIZATION LOSS/SPLIT (CLASS: AGRICULTURAL)

Assume the same set of facts used in problems N, N1, and N2, except that one of the child parcels sold in 2007 and must be uncapped for 2008 and the new owner of that parcel added a farm structure with a market value of $70,000 in 2007. A farmer made application to split his 80-acre farm into two equal 40-acre parcels. The 80-acre parcel was assessed at $80,000. The assessor retired the parcel number for the 80-acre parcel and created two new parcels for the two new 40-acre child parcels. There was no change in assessed value because of economic or inflationary factors for this property. For this example, the 40-acre parcels are valued at the same rate per acre as the original 80-acre parcel. The 2007 taxable value was $50,000. The child parcel that had a transfer of ownership must be uncapped for 2008 and the new construction must be added to the assessment roll.

		Parent Parcel (80 Acres)	
Inflation Rate Multiplier (IRM):	1.023		
Prior Year (2007) Assessed Value:		$80,000	
Prior Year (2007) Taxable Value:		$50,000	
Current Year (2008) Assessed Value:		$0	
Current Year (2008) Taxable Value:		$0	
Current Year (2008) Capped Value:		$51,150	(Disregarded due to parcel retirement)
2008 Equalization Loss:	$80,000	(Loss is the entire parent parcel's assessed value.)	
2008 Headlee Losses:	$0	(There were no physical changes to the property, etc.)	

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $80,000 = 0.6250

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $80,000 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions

CV = [($50,000 - $0) x 1.023] + $0

CV = $51,150 (However, no calculation is required because the parcel is retired for 2008.)

Summary:

2007 Assessed Value:	$80,000	2008 Assessed Value:	$0
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$0

L-4025 Additions: $0

L-4025 Losses: $0

PROBLEM P1, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL)

Child Parcel, No Transfer of Ownership, No New Construction (40 Acres)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________
Prior Year (2007) Capped Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM P1, EQUALIZATION NEW/SPLIT (CLASS: AGRICULTURAL)

Child Parcel, No Transfer of Ownership, No New Construction (40 Acres)

2008 Assessed Value = ($2,000 per acre x 40 acres) x 0.50 = $40,000
2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$40,000	(Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value:	$25,000	(Allocated from 2007 Taxable Value)
Prior Year (2007) Capped Value:	$25,000	(Allocated from 2007 Capped Value)

Current Year (2008) Assessed Value:	$40,000
Current Year (2008) Taxable Value:	$25,575
Current Year (2008) Capped Value:	$25,575

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $40,000 = 0.6250

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There is no adjustment on the child parcel because it is to be treated entirely as equalization new for 2008.

Equalization **New**: $40,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $0
CV = $25,575

Summary:

2007 Assessed Value:	$40,000	2008 Assessed Value:	$40,000
2007 Capped Value:	$25,000	2008 Capped Value:	$25,575
2007 Taxable Value:	$25,000	2008 Taxable Value:	$25,575

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM P2, EQUALIZATION NEW/SPLIT WITH TRANSFER OF OWNERSHIP AND NEW CONSTRUCTION (CLASS: AGRICULTURAL)

Child Parcel, 2007 Transfer of Ownership, 2007 New Construction (40 Acres)

2008 Assessed Value of Land = ($2,000 per acre x 40 acres) x 0.50 =	$40,000
2008 Assessed Value of Farm Structure = $70,000 True Cash Value x 0.50 =	$35,000
2008 Total Assessed Value =	$75,000

2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ______
Prior Year (2007) Taxable Value: ______
Prior Year (2007) Capped Value: ______

Current Year (2008) Assessed Value: ______
Current Year (2008) Taxable Value: ______
Current Year (2008) Capped Value: ______

Ratio of Taxable Value to Assessed Value: ______ ÷ ______ = ______

Total Increase due to New Construction: = ______
Total Increase due to Adjustment: = ______

Equalization **New**: ______ Headlee **Additions**: ______

Capped Calculation Additions: ______

Equalization Adjustment: ______

Equalization **Loss**: ______ Headlee **Losses**: ______

Capped Calculation Losses: ______

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(______ - ______) x 1.023] + ______
CV = ______

Summary:

2007 Assessed Value:	______	2008 Assessed Value:	______
2007 Capped Value:	______	2008 Capped Value:	______
2007 Taxable Value:	______	2008 Taxable Value:	______

L-4025 Additions: ______
L-4025 Losses: ______

PROBLEM P2, EQUALIZATION NEW/SPLIT WITH TRANSFER OF OWNERSHIP AND NEW CONSTRUCTION (CLASS: AGRICULTURAL)

Child Parcel, 2007 Transfer of Ownership, 2007 New Construction (40 Acres)

2008 Assessed Value of Land = ($2,000 per acre x 40 acres) x 0.50 =	$40,000
2008 Assessed Value of Farm Structure = $70,000 True Cash Value x 0.50 =	$35,000
2008 Total Assessed Value =	$75,000

2007 (Allocated) Taxable Value = $50,000 x ($80,000 ÷ $160,000) = $25,000 OR
2007 (Allocated) Taxable Value = $50,000 x 0.50 = $25,000

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of the child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcel was $80,000. The total true cash value of the parent parcel was $160,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$40,000	(Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value:	$25,000	(Allocated from 2007 Taxable Value)
Prior Year (2007) Capped Value:	$25,000	(Allocated from 2007 Capped Value)
Current Year (2008) Assessed Value:	$75,000	
Current Year (2008) Taxable Value:	$75,000	(Uncapped due to transfer of ownership)
Current Year (2008) Capped Value:	$60,575	(Disregarded due to transfer of ownership)

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $40,000 = 0.6250

Total Increase due to New Construction: = $35,000
Total Increase due to Adjustment: = $0
Note: There is no adjustment on the child parcel because it is to be treated entirely as equalization new for 2008.

Equalization **New**: $75,000* Headlee **Additions**: $35,000

Capped Calculation Additions: $35,000

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $35,000
CV = $60,575

Summary:

2007 Assessed Value:	$40,000	2008 Assessed Value:	$75,000
2007 Capped Value:	$25,000	2008 Capped Value:	$60,575
2007 Taxable Value:	$25,000	2008 Taxable Value:	$75,000

L-4025 Additions: $35,000
L-4025 Losses: $0

*New calculated as follows: $40,000 (2007 assessed value) + $35,000 (new construction) = $75,000 (new)

PROBLEM Q, CLASSIFICATION CHANGE

During a review of the assessment roll, the assessor determined that a parcel's current classification of agricultural (101) should be changed to residential (401) on the 2008 assessment roll. The 2007 assessed value was $125,000 and the 2008 assessed value is $130,000. The 2007 taxable value was $115,000. There were no physical changes, etc. to the parcel for 2008.

2008 Equalization Loss: __________

2008 Equalization New: __________

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Adjustment: = __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM Q, CLASSIFICATION CHANGE

During a review of the assessment roll, the assessor determined that a parcel's current classification of agricultural (101) should be changed to residential (401) on the 2008 assessment roll. The 2007 assessed value was $125,000 and the 2008 assessed value is $130,000. The 2007 taxable value was $115,000. There were no physical changes, etc. to the parcel for 2008.

2008 Equalization Loss: $125,000 (The 2007 Assessed Value as Determined by the March Board of Review, Agricultural Class)

2008 Equalization New: $130,000 (The 2008 Assessed Value, Residential Class)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $125,000
Prior Year (2007) Taxable Value: $115,000

Current Year (2008) Assessed Value: $130,000
Current Year (2008) Taxable Value: $117,645
Current Year (2008) Capped Value: $117,645

2008 Equalization Adjustment: = $0*

Ratio of Taxable Value to Assessed Value: $115,000 ÷ $125,000 = 0.9200

Equalization **New**: $130,000 (401) Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0*

Equalization **Loss**: $125,000 (101) Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($115,000 - $0) x 1.023] + $0
CV = $117,645

Summary:

2007 Assessed Value:	$125,000	2008 Assessed Value:	$130,000
2007 Capped Value:	$115,000	2008 Capped Value:	$117,645
2007 Taxable Value:	$115,000	2008 Taxable Value:	$117,645

L-4025 Additions: $0
L-4025 Losses: $0

*Note that there is no equalization adjustment despite the increase in value of $5,000 for 2008. The entire $130,000 for 2008 is new to the residential classification.

PROBLEM R, REPLACEMENT CONSTRUCTION (CLASS: RESIDENTIAL)

In late 2006 an accidental fire destroyed a house. In 2007 a new house was rebuilt in the same location. Based on assessment records, the true cash value of the house that was destroyed in 2006 was $150,000. The true cash value of the replacement house is $200,000. For 2007 the parcel's total true cash value was $40,000 and the parcel's taxable value for 2007 was $14,000. Other than the construction of the replacement house, there were no physical changes to the parcel and there were no general market changes for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Total Increase from 2007 to 2008: __________ - __________ = __________
Total Increase due to New and Replacement Construction: - __________
Total Change due to Adjustment: __________

2008 Capped Value Additions for Replacement Construction:

____
____

2008 Capped Value Additions for New Construction: __________

2008 Total Capped Value Additions: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM R, REPLACEMENT CONSTRUCTION (CLASS: RESIDENTIAL)

In late 2006 an accidental fire destroyed a house. In 2007 a new house was rebuilt in the same location. Based on assessment records, the true cash value of the house that was destroyed in 2006 was $150,000. The true cash value of the replacement house is $200,000. For 2007 the parcel's total true cash value was $40,000 and the parcel's taxable value for 2007 was $14,000. Other than the construction of the replacement house, there were no physical changes to the parcel and there were no general market changes for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$20,000					
Prior Year (2007) Taxable Value:	$14,000					
Current Year (2008) Assessed Value:	$120,000					
Current Year (2008) Taxable Value:	$93,029					
Current Year (2008) Capped Value:	$93,029					
Total Increase from 2007 to 2008:	$120,000	-	$20,000	=		$100,000
Total Increase due to New and Replacement Construction:					-	$100,000
Total Change due to Adjustment:						$0

2008 Capped Value Additions for Replacement Construction:
$150,000 x ($14,000 ÷ $40,000) x 1.023
$150,000 x 0.35 x 1.023 = $53,707

2008 Capped Value Additions for New Construction: ($200,000 - $150,000) x 0.50 = $25,000

2008 Total Capped Value Additions: $53,707 + $25,000 = $78,707

Ratio of Taxable Value to Assessed Value: $14,000 ÷ $20,000 = 0.7000

Equalization **New**: $100,000 Headlee **Additions**: $78,707

Capped Calculation Additions: $78,707

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($14,000 - $0) x 1.023] + $78,707
CV = $93,029

Summary:

2007 Assessed Value:	$20,000	2008 Assessed Value:	$120,000
2007 Capped Value:	$14,000	2008 Capped Value:	$93,029
2007 Taxable Value:	$14,000	2008 Taxable Value:	$93,029

L-4025 Additions: $78,707
L-4025 Losses: $0

PROBLEM R, REPLACEMENT CONSTRUCTION (CLASS: RESIDENTIAL), CONTINUED

The special treatment for replacement additions is limited to the true cash value (determined by the assessor's records) of the destroyed property. Half of any true cash value above the value of the destroyed property is to be treated as additions for new construction.

PROBLEM S, PROPERTY BECOMING EXEMPT (CLASS: COMMERCIAL)

In August of 2007, a City purchased a privately owned vacant lot within its boundaries and constructed a City park. The assessor determined that this parcel should now be exempt. The 2007 assessed value of the lot was $20,000 and the taxable value was $18,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ______
Prior Year (2007) Taxable Value: ______

Current Year (2008) Assessed Value: ______
Current Year (2008) Taxable Value: ______
Current Year (2008) Capped Value: ______

Ratio of Taxable Value to Assessed Value: ______ ÷ ______ = ______

Equalization **New**: ______ Headlee **Additions**: ______

Capped Calculation Additions: ______

Equalization Adjustment: ______

Equalization **Loss**: ______ Headlee **Losses**: ______

Capped Calculation Losses: ______

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(______ - ______) x 1.023] + ______
CV = ______

Summary:

2007 Assessed Value:	______	2008 Assessed Value:	______
2007 Capped Value:	______	2008 Capped Value:	______
2007 Taxable Value:	______	2008 Taxable Value:	______

L-4025 Additions: ______
L-4025 Losses: ______

PROBLEM S, PROPERTY BECOMING EXEMPT (CLASS: COMMERCIAL)

In August of 2007, a City purchased a privately owned vacant lot within its boundaries and constructed a City park. The assessor determined that this parcel should now be exempt. The 2007 assessed value of the lot was $20,000 and the taxable value was $18,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $20,000
Prior Year (2007) Taxable Value: $18,000

Current Year (2008) Assessed Value: $0
Current Year (2008) Taxable Value: $0
Current Year (2008) Capped Value: $0

Ratio of Taxable Value to Assessed Value: $18,000 ÷ $20,000 = 0.9000

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $20,000 Headlee **Losses**: $18,000

Capped Calculation Losses: $18,000

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($18,000 - $18,000) x 1.023] + $0
CV = $0

Summary:

2007 Assessed Value:	$20,000	2008 Assessed Value:	$0
2007 Capped Value:	$18,000	2008 Capped Value:	$0
2007 Taxable Value:	$18,000	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $18,000

Note: Headlee losses equal the previous taxable value in situations where a parcel becomes exempt. In such situations, equalization loss equals the previous assessed value.

PROBLEM T, PROPERTY BECOMING TAXABLE (CLASS: RESIDENTIAL)

In 2007, the local school district sold property that included a house. The property had been exempt in 2007 and prior years. The assessor determined that the true cash value of the property for 2008 was $70,000 ($35,000 assessed value).

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM T, PROPERTY BECOMING TAXABLE (CLASS: RESIDENTIAL)

In 2007, the local school district sold property that included a house. The property had been exempt in 2007 and prior years. The assessor determined that the true cash value of the property for 2008 was $70,000 ($35,000 assessed value).

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $0
Prior Year (2007) Taxable Value: $0

Current Year (2008) Assessed Value: $35,000
Current Year (2008) Taxable Value: $35,000
Current Year (2008) Capped Value: $35,000

Ratio of Taxable Value to Assessed Value: $0 ÷ $0 = ---

Equalization **New**: $35,000 Headlee **Additions**: $35,000

Capped Calculation Additions: $35,000

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($0 - $0) x 1.023] + $35,000
CV = $35,000

Summary:

2007 Assessed Value:	$0	2008 Assessed Value:	$35,000
2007 Capped Value:	$0	2008 Capped Value:	$35,000
2007 Taxable Value:	$0	2008 Taxable Value:	$35,000

L-4025 Additions: $35,000
L-4025 Losses: $0

PROBLEM U, EQUALIZATION LOSS/SPLIT (CLASS: RESIDENTIAL)

A taxpayer who owns 80 acres has asked the assessor to split his property into four 3-acre parcels and leave the remaining 68 acres in a fifth parcel. The assessor retired the original parcel number and created five new parcels (child parcels). There was no transfer of ownership. The original parcel had a true cash value in 2007 of $240,000 ($3,000 per acre). All of the 80 acres were similar in value for 2007. The four new 3-acre parcels are valued at $30,000 (true cash value) or $10,000 per acre each in 2008. The 68-acre parcel is valued at $204,000 (true cash value) or $3,000 per acre in 2008. The 2007 taxable value of the parent parcel was $80,000.

Parent Parcel (80 Acres)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Loss: __________
2008 Headlee Losses: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM U, EQUALIZATION LOSS/SPLIT (CLASS: RESIDENTIAL)

A taxpayer who owns 80 acres has asked the assessor to split his property into four 3-acre parcels and leave the remaining 68 acres in a fifth parcel. The assessor retired the original parcel number and created five new parcels (child parcels). There was no transfer of ownership. The original parcel had a true cash value in 2007 of $240,000 ($3,000 per acre). All of the 80 acres were similar in value for 2007. The four new 3-acre parcels are valued at $30,000 (true cash value) or $10,000 per acre each in 2008. The 68-acre parcel is valued at $204,000 (true cash value) or $3,000 per acre in 2008. The 2007 taxable value of the parent parcel was $80,000.

		Parent Parcel (80 Acres)	
Inflation Rate Multiplier (IRM):	1.023		
Prior Year (2007) Assessed Value:		$120,000	
Prior Year (2007) Taxable Value:		$80,000	
Current Year (2008) Assessed Value:		$0	
Current Year (2008) Taxable Value:		$0	
Current Year (2008) Capped Value:		$81,840	(Disregarded due to parcel retirement)

2008 Equalization Loss: $120,000 (This is the entire parent parcel's assessed value.)
2008 Headlee Losses: $0 (There were no physical changes to the property, etc.)

Ratio of Taxable Value to Assessed Value: $80,000 ÷ $120,000 = 0.6667

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $120,000 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($80,000 - $0) x 1.023] + $0
CV = $81,840 (However, no calculation is required because the parcel is retired for 2008.)

Summary:

2007 Assessed Value:	$120,000	2008 Assessed Value:	$0
2007 Capped Value:	$80,000	2008 Capped Value:	$81,840
2007 Taxable Value:	$80,000	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEMS U1 THROUGH U4, EQUALIZATION NEW/SPLIT (CLASS: RESIDENTIAL)

Child Parcels (3 Acres Each)

2008 Assessed Value = ($10,000 per acre x 3 acres) x 0.50 = $15,000
2007 (Allocated) Taxable Value = $80,000 x ($9,000 ÷ $240,000) = $3,000 OR
2007 (Allocated) Taxable Value = $80,000 x 0.0375 = $3,000 OR $1,000 Taxable Value per Acre

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of each child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcels was $9,000 ($3,000 per acre x 3 acres = $9,000). The total true cash value of the parent parcel was $240,000 ($3,000 per acre x 80 acres = $240,000).

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Total Increase due to New Construction: = __________
Total Increase due to Adjustment: = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEMS U1 THROUGH U4, EQUALIZATION NEW/SPLIT (CLASS: RESIDENTIAL)

Child Parcels (3 Acres Each)

2008 Assessed Value = ($10,000 per acre x 3 acres) x 0.50 = $15,000
2007 (Allocated) Taxable Value = $80,000 x ($9,000 ÷ $240,000) = $3,000 OR
2007 (Allocated) Taxable Value = $80,000 x 0.0375 = $3,000 OR $1,000 Taxable Value per Acre

Note: The allocation of the prior year's taxable value is based on the ratio of the prior year's true cash value of each child parcel to the prior year's true cash value of the entire parent parcel. The 2007 true cash value of the child parcels was $9,000 ($3,000 per acre x 3 acres = $9,000). The total true cash value of the parent parcel was $240,000 ($3,000 per acre x 80 acres = $240,000).

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $4,500 (Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value: $3,000 (Allocated from 2007 Taxable Value)

Current Year (2008) Assessed Value: $15,000
Current Year (2008) Taxable Value: $3,069
Current Year (2008) Capped Value: $3,069

Ratio of Taxable Value to Assessed Value: $3,000 ÷ $4,500 = 0.6667

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There is no adjustment on the child parcels because they are to be treated entirely as equalization new for 2008.

Equalization **New**: $15,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($3,000 - $0) x 1.023] + $0
CV = $3,069

Summary:

2007 Assessed Value:	$4,500	2008 Assessed Value:	$15,000
2007 Capped Value:	$3,000	2008 Capped Value:	$3,069
2007 Taxable Value:	$3,000	2008 Taxable Value:	$3,069

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM U5, EQUALIZATION NEW/SPLIT (CLASS: RESIDENTIAL`

Child Parcel (68 Acres)

2008 Assessed Value = $3,000 per acre x 68 acres = $204,000 x 0.50 = $102,000
2007 (Allocated) Taxable Value = $80,000 x ($204,000 ÷ $240,000) = $68,000 OR $1,000 Taxable Value per Acre

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

Proof (Child parcels' taxable values should always total to the parent parcel's taxable value from the prior year multiplied by the inflation rate multiplier (IRM).*):
Previous Taxable Value of Parent Parcel x IRM = ________
Current Taxable Values of Child Parcels = ________

*Exceptions include situations where there has been new construction on one or more of the child parcels or a transfer of ownership has taken place.

PROBLEM U5, EQUALIZATION NEW/SPLIT (CLASS: RESIDENTIAL`

Child Parcel (68 Acres)

2008 Assessed Value = $3,000 per acre x 68 acres = $204,000 x 0.50 = $102,000
2007 (Allocated) Taxable Value = $80,000 x ($204,000 ÷ $240,000) = $68,000 OR $1,000 Taxable Value per Acre

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $102,000 (Allocated from 2007 Assessed Value)
Prior Year (2007) Taxable Value: $68,000 (Allocated from 2007 Taxable Value)

Current Year (2008) Assessed Value: $102,000
Current Year (2008) Taxable Value: $69,564
Current Year (2008) Capped Value: $69,564

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There can be no adjustment on the child parcel because it is to be treated entirely as equalization new for 2008.

Ratio of Taxable Value to Assessed Value: $68,000 ÷ $102,000 = 0.6667

Equalization **New**: $102,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($68,000 - $0) x 1.023] + $0
CV = $69,564

Summary:

2007 Assessed Value:	$102,000	2008 Assessed Value:	$102,000
2007 Capped Value:	$68,000	2008 Capped Value:	$69,564
2007 Taxable Value:	$68,000	2008 Taxable Value:	$69,564

L-4025 Additions: $0
L-4025 Losses: $0

Proof (Child parcels' taxable values should always total to the parent parcel's taxable value from the prior year multiplied by the inflation rate multiplier (IRM).*):
Previous Taxable Value of Parent Parcel x IRM = $80,000 x 1.023 = <u>$81,840</u>
Current Taxable Values of Child Parcels = ($3,069 x 4 parcels) + $69,564 = <u>$81,840</u>

*Exceptions include situations where there has been new construction on one or more of the child parcels or a transfer of ownership has taken place.

PROBLEM V, PERSONAL PROPERTY (CLASS: COMMERCIAL PERSONAL)

The owner of a retail store filed Personal Property Statements for years 2007 and 2008. The new acquisitions reported on the 2007 acquisition year line in 2008 resulted in the calculation of $10,000 in assessed value because of the new property reported. All other costs reported by the taxpayer were identical for both years. In 2007 the assessed and taxable values for the property were $26,000. In 2008, the calculated assessed value is $34,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization New: __________ - __________ = __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM V, PERSONAL PROPERTY (CLASS: COMMERCIAL PERSONAL)

The owner of a retail store filed Personal Property Statements for years 2007 and 2008. The new acquisitions reported on the 2007 acquisition year line in 2008 resulted in the calculation of $10,000 in assessed value because of the new property reported. All other costs reported by the taxpayer were identical for both years. In 2007 the assessed and taxable values for the property were $26,000. In 2008, the calculated assessed value is $34,000.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$26,000
Prior Year (2007) Taxable Value:	$26,000
Current Year (2008) Assessed Value:	$34,000
Current Year (2008) Taxable Value:	$34,000
Current Year (2008) Capped Value:	$36,598

2008 Equalization New:	$34,000	-	$26,000	=	$8,000
Ratio of Taxable Value to Assessed Value:	$26,000	÷	$26,000	=	1.0000

Equalization **New**: $8,000 Headlee **Additions**: $10,000

Capped Calculation Additions: $10,000

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions

CV = [($26,000 - $0) x 1.023] + $10,000

CV = $36,598

Summary:

2007 Assessed Value:	$26,000	2008 Assessed Value:	$34,000
2007 Capped Value:	---	2008 Capped Value:	$36,598
2007 Taxable Value:	$26,000	2008 Taxable Value:	$34,000

L-4025 Additions: $10,000
L-4025 Losses: $0

PROBLEM V, PERSONAL PROPERTY (CLASS: COMMERCIAL PERSONAL), CONTINUED

Comments:
Equalization new and loss are netted **for personal property only**, while Headlee and capped value additions and losses are not netted. No capped value calculation is required to be made because the property that was present in 2007 has declined in value. Applying the additions that result from the new acquisitions reported on the 2007 line of the 2008 Personal Property Statement to the capped value formula (there were no losses) will normally result in a value that is greater than what would occur using the assessed value (tentative state equalized value). See State Tax Commission Bulletin No. 1 of 2000. This example is representative of the vast majority of personal property parcels.

PROBLEM W, FIRE DAMAGE (CLASS: RESIDENTIAL)

In 2007 a property had an assessed value of $200,000. Of this $200,000, $50,000 in assessed value was for the land and $150,000 in assessed value was for a house on the land. The house was completely destroyed by a fire in 2007. The 2007 taxable value for the property was $100,000. The land value did not increase for 2008.

2008 Equalization Loss = __________
2008 Losses = __________

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM W, FIRE DAMAGE (CLASS: RESIDENTIAL)

In 2007 a property had an assessed value of $200,000. Of this $200,000, $50,000 in assessed value was for the land and $150,000 in assessed value was for a house on the land. The house was completely destroyed by a fire in 2007. The 2007 taxable value for the property was $100,000. The land value did not increase for 2008.

2008 Equalization Loss = $200,000 - $50,000 = $150,000
2008 Losses = $300,000 (true cash value of the destroyed property) x ($100,000 ÷ $400,000) = $75,000

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $200,000
Prior Year (2007) Taxable Value: $100,000

Current Year (2008) Assessed Value: $50,000
Current Year (2008) Taxable Value: $25,575
Current Year (2008) Capped Value: $25,575

Ratio of Taxable Value to Assessed Value: $100,000 ÷ $200,000 = 0.5000

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $150,000 Headlee **Losses**: $75,000

Capped Calculation Losses: $75,000

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($100,000 - $75,000) x 1.023] + $0
CV = $25,575

Summary:

2007 Assessed Value:	$200,000	2008 Assessed Value:	$50,000
2007 Capped Value:	$100,000	2008 Capped Value:	$25,575
2007 Taxable Value:	$100,000	2008 Taxable Value:	$25,575

L-4025 Additions: $0
L-4025 Losses: $75,000

PROBLEM X, CLASSIFICATION CHANGE WITH NEW CONSTRUCTION

A 40-acre parcel was classified agricultural (101) on the assessment roll in 2007. This parcel was entirely farmed until 2007. In 2007 the owner had a new home constructed on two acres of the parcel. The remaining 38 acres continue to be farmed. Due to the value of the new home, the assessor has determined that the classification of this parcel should now be residential (401) for 2008.* The 2007 assessed value of the parcel was $60,000 and the 2007 taxable value was $45,000. There have been no general market changes between 2007 and 2008. The new house added $150,000 in market value for 2008. The 2008 assessed value is $135,000.

2008 Equalization Loss: __________

2008 Equalization New: __________

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

*The contributory value of the home and home site (considered residential influences) was greater than the contributory value of the tilled land (an agricultural influence). Therefore, the proper classification is residential.

PROBLEM X, CLASSIFICATION CHANGE WITH NEW CONSTRUCTION

A 40-acre parcel was classified agricultural (101) on the assessment roll in 2007. This parcel was entirely farmed until 2007. In 2007 the owner had a new home constructed on two acres of the parcel. The remaining 38 acres continue to be farmed. Due to the value of the new home, the assessor has determined that the classification of this parcel should now be residential (401) for 2008.* The 2007 assessed value of the parcel was $60,000 and the 2007 taxable value was $45,000. There have been no general market changes between 2007 and 2008. The new house added $150,000 in market value for 2008. The 2008 assessed value is $135,000.

2008 Equalization Loss: $60,000 (The 2007 Assessed Value as Determined by the March Board of Review, Agricultural Class)

2008 Equalization New: $135,000 (The 2008 Assessed Value, Residential Class)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $60,000
Prior Year (2007) Taxable Value: $45,000

Current Year (2008) Assessed Value: $135,000
Current Year (2008) Taxable Value: $121,035
Current Year (2008) Capped Value: $121,035

Ratio of Taxable Value to Assessed Value: $45,000 ÷ $60,000 = 0.7500

Equalization **New**: $135,000 (401) Headlee **Additions**: $75,000

Capped Calculation Additions: $75,000

Equalization Adjustment: $0

Equalization **Loss**: $60,000 (101) Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($45,000 - $0) x 1.023] + $75,000
CV = $121,035

Summary:

2007 Assessed Value:	$60,000	2008 Assessed Value:	$135,000
2007 Capped Value:	$45,000	2008 Capped Value:	$121,035
2007 Taxable Value:	$45,000	2008 Taxable Value:	$121,035

L-4025 Additions: $75,000
L-4025 Losses: $0

*The contributory value of the home and home site (considered residential influences) was greater than the contributory value of the tilled land (an agricultural influence). Therefore, the proper classification is residential.

PROBLEM Y, PRIOR YEAR TRANSFER OF OWNERSHIP (CLASS: RESIDENTIAL)

On June 26, 2007, a parcel of property transferred ownership. The 2007 assessed value was $45,000 and the 2007 taxable value was $25,000. When setting the 2008 assessment for this property, the assessor determined that there would be no change in assessed value because of inflation or market conditions. There was no physical change, etc. to the parcel for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM Y, PRIOR YEAR TRANSFER OF OWNERSHIP (CLASS: RESIDENTIAL)

On June 26, 2007, a parcel of property transferred ownership. The 2007 assessed value was $45,000 and the 2007 taxable value was $25,000. When setting the 2008 assessment for this property, the assessor determined that there would be no change in assessed value because of inflation or market conditions. There was no physical change, etc. to the parcel for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $45,000
Prior Year (2007) Taxable Value: $25,000

Current Year (2008) Assessed Value: $45,000
Current Year (2008) Taxable Value: $45,000 (Uncapped due to prior year transfer of ownership)
Current Year (2008) Capped Value: $25,575 (Disregarded due to prior year transfer of ownership)

Ratio of Taxable Value to Assessed Value: $25,000 ÷ $45,000 = 0.5556

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($25,000 - $0) x 1.023] + $0
CV = $25,575

Summary:

2007 Assessed Value:	$45,000	2008 Assessed Value:	$45,000
2007 Capped Value:	$25,000	2008 Capped Value:	$25,575
2007 Taxable Value:	$25,000	2008 Taxable Value:	$45,000

L-4025 Additions: $0
L-4025 Losses: $0

Note: Because this property transferred ownership in 2007, the taxable value was uncapped for 2008 and is equal to the tentative state equalized value for 2008 which is $45,000.

PROBLEM Z, NON-CONSIDERATION OF VALUE (CLASS: RESIDENTIAL)

Under Michigan Compiled Law 211.27(2), certain improvements to residential property are not to be considered by the assessor in determining the property's value until the property has sold. These non-considered improvements are commonly known as Mathiew-Gast improvements.* In 1998 a property owner made improvements to her property that qualified for non-consideration treatment. As of December 31, 2007, the true cash value of these improvements was $30,000. The parcel sold in 2007 and the non-considered value of the improvements must be added to the 2008 assessment roll. The parcel's taxable value must also be uncapped for 2008. The 2007 assessed value was $85,000. The 2007 taxable value was $50,000. The 2008 assessed value is $100,000. There have been no physical changes to the parcel for 2008 and no change in the general market for this property for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

*Mathiew-Gast improvements are improvements made for normal repairs, replacement, and maintenance such as outside painting, repairing or replacing siding, roofs, porches, etc.

PROBLEM Z, NON-CONSIDERATION OF VALUE (CLASS: RESIDENTIAL)

Under Michigan Compiled Law 211.27(2), certain improvements to residential property are not to be considered by the assessor in determining the property's value until the property has sold. These non-considered improvements are commonly known as Mathiew-Gast improvements.* In 1998 a property owner made improvements to her property that qualified for non-consideration treatment. As of December 31, 2007, the true cash value of these improvements was $30,000. The parcel sold in 2007 and the non-considered value of the improvements must be added to the 2008 assessment roll. The parcel's taxable value must also be uncapped for 2008. The 2007 assessed value was $85,000. The 2007 taxable value was $50,000. The 2008 assessed value is $100,000. There have been no physical changes to the parcel for 2008 and no change in the general market for this property for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $85,000
Prior Year (2007) Taxable Value: $50,000

Current Year (2008) Assessed Value: $100,000
Current Year (2008) Taxable Value: $100,000 (Uncapped due to prior year transfer of ownership)
Current Year (2008) Capped Value: $66,150 (Disregarded due to prior year transfer of ownership)

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $85,000 = 0.5882

Equalization **New**: $15,000 Headlee **Additions**: $15,000

Capped Calculation Additions: $15,000

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $15,000
CV = $66,150

Summary:

2007 Assessed Value:	$85,000	2008 Assessed Value:	$100,000
2007 Capped Value:	$50,000	2008 Capped Value:	$66,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$100,000

L-4025 Additions: $15,000
L-4025 Losses: $0

*Mathiew-Gast improvements are improvements made for normal repairs, replacement, and maintenance such as outside painting, repairing or replacing siding, roofs, porches, etc.

PROBLEM AA, NON-CONSIDERATION OF VALUE (CLASS: RESIDENTIAL)

Under Michigan Compiled Law 211.27(2), certain improvements to residential property are not to be considered by the assessor in determining the property's value until the property has sold. These non-considered improvements are commonly known as Mathiew-Gast improvements. In 2007 a property owner made improvements to his property that qualified for non-consideration treatment. The cost of the improvements reported by the property owner was $15,000. The assessor performed a "before replacement improvements" appraisal and an "after replacement improvements" appraisal. These appraisals indicated that the market value of the non-considered improvements was $12,000. The 2007 assessed value was $85,000. The 2007 taxable value was $50,000. The 2008 assessed value is $85,000. There have been no other physical changes to the parcel for 2008 and no change in the general market for this property occurred for 2008. The property owner has filed the required paperwork to claim the non-consideration treatment. **Since the non-considered improvements were made in 2007, they were not included in the 2007 assessed or taxable value. Therefore, there should be no reduction in value associated with the non-consideration treatment for 2008. The value of the items will simply not be added to the assessment for 2008.**

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM AA, NON-CONSIDERATION OF VALUE (CLASS: RESIDENTIAL)

Under Michigan Compiled Law 211.27(2), certain improvements to residential property are not to be considered by the assessor in determining the property's value until the property has sold. These non-considered improvements are commonly known as Mathiew-Gast improvements. In 2007 a property owner made improvements to his property that qualified for non-consideration treatment. The cost of the improvements reported by the property owner was $15,000. The assessor performed a "before replacement improvements" appraisal and an "after replacement improvements" appraisal. These appraisals indicated that the market value of the non-considered improvements was $12,000. The 2007 assessed value was $85,000. The 2007 taxable value was $50,000. The 2008 assessed value is $85,000. There have been no other physical changes to the parcel for 2008 and no change in the general market for this property occurred for 2008. The property owner has filed the required paperwork to claim the non-consideration treatment. **Since the non-considered improvements were made in 2007, they were not included in the 2007 assessed or taxable value. Therefore, there should be no reduction in value associated with the non-consideration treatment for 2008. The value of the items will simply not be added to the assessment for 2008.**

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $85,000
Prior Year (2007) Taxable Value: $50,000

Current Year (2008) Assessed Value: $85,000
Current Year (2008) Taxable Value: $51,150
Current Year (2008) Capped Value: $51,150

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $85,000 = 0.5882

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150

Summary:

2007 Assessed Value:	$85,000	2008 Assessed Value:	$85,000
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$51,150

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM AB, NON-CONSIDERATION OF VALUE (CLASS: RESIDENTIAL)

Between 2004 and 2006, a property owner made improvements to his property that qualified for non-consideration treatment. The cost of the improvements reported by the property owner was $15,000. The assessor performed a "before replacement improvements" appraisal and an "after replacement improvements" appraisal. These appraisals indicated that the market value of the non-considered improvements is $12,000. The 2007 assessed value was $85,000. The 2007 taxable value was $50,000. The 2008 assessed value is $79,000. There have been no other physical changes, etc. to the parcel for 2008 and no change in the general market for this property occurred for 2008. The property owner has filed the required paperwork to claim the non-consideration treatment for 2008. **The non-considered improvements were made before 2007 and they were included in the 2007 assessed and taxable values. Therefore, there should be a reduction in these values associated with the non-consideration treatment for 2008.**

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM AB, NON-CONSIDERATION OF VALUE (CLASS: RESIDENTIAL)

Between 2004 and 2006, a property owner made improvements to his property that qualified for non-consideration treatment. The cost of the improvements reported by the property owner was $15,000. The assessor performed a "before replacement improvements" appraisal and an "after replacement improvements" appraisal. These appraisals indicated that the market value of the non-considered improvements is $12,000. The 2007 assessed value was $85,000. The 2007 taxable value was $50,000. The 2008 assessed value is $79,000. There have been no other physical changes, etc. to the parcel for 2008 and no change in the general market for this property occurred for 2008. The property owner has filed the required paperwork to claim the non-consideration treatment for 2008. **The non-considered improvements were made before 2007 and they were included in the 2007 assessed and taxable values. Therefore, there should be a reduction in these values associated with the non-consideration treatment for 2008.**

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $85,000
Prior Year (2007) Taxable Value: $50,000

Current Year (2008) Assessed Value: $79,000
Current Year (2008) Taxable Value: $47,539
Current Year (2008) Capped Value: $47,539

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $85,000 = 0.5882

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $6,000 Headlee **Losses**: $3,529
($12,000 x ($50,000 ÷ $170,000) = $3,529)

Capped Calculation Losses: $3,529

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $3,529) x 1.023] + $0
CV = $47,539

Summary:

2007 Assessed Value:	$85,000	2008 Assessed Value:	$79,000
2007 Capped Value:	$50,000	2008 Capped Value:	$47,539
2007 Taxable Value:	$50,000	2008 Taxable Value:	$47,539

L-4025 Additions: $0
L-4025 Losses: $3,529

PROBLEMS AC AND AC1, EQUALIZATION LOSS/COMBINATION (CLASS: AGRICULTURAL)

A property owner owns two contiguous 40-acre parcels and asks the assessor to combine them. The parcels are within the same local school district and within the same section. The assessor combines the two parcels for 2008 and retires the parcel numbers of the two original parcels. The two 40-acre parcels both consisted of vacant tillable land and were valued at $3,500 per acre. The assessor has determined that the same rate per acre applies to the resulting 80-acre parcel. The 2007 taxable value was $50,000 (each) for both of the original parcels. There was no transfer of ownership for the parcels in 2007. Also, there were no physical changes to the parcels during 2007.

Original Parcels (40 Acres Each)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

2008 Equalization Loss: __________
2008 Headlee Losses: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value: __________ 2008 Assessed Value: __________
2007 Capped Value: __________ 2008 Capped Value: __________
2007 Taxable Value: __________ 2008 Taxable Value: __________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEMS AC AND AC1, EQUALIZATION LOSS/COMBINATION (CLASS: AGRICULTURAL)

A property owner owns two contiguous 40-acre parcels and asks the assessor to combine them. The parcels are within the same local school district and within the same section. The assessor combines the two parcels for 2008 and retires the parcel numbers of the two original parcels. The two 40-acre parcels both consisted of vacant tillable land and were valued at $3,500 per acre. The assessor has determined that the same rate per acre applies to the resulting 80-acre parcel. The 2007 taxable value was $50,000 (each) for both of the original parcels. There was no transfer of ownership for the parcels in 2007. Also, there were no physical changes to the parcels during 2007.

	Original Parcels (40 Acres Each)	
Inflation Rate Multiplier (IRM):	1.023	
Prior Year (2007) Assessed Value:	$70,000	
Prior Year (2007) Taxable Value:	$50,000	
Current Year (2008) Assessed Value:	$0	
Current Year (2008) Taxable Value:	$0	
Current Year (2008) Capped Value:	$51,150	(Disregarded due to parcel retirements)

2008 Equalization Loss: $70,000 (Loss is the entire assessed value of the original parcels.)
2008 Headlee Losses: $0 (There were no physical changes to the properties, etc.)

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $70,000 = 0.7143

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $70,000 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150 (However, no calculation is required because the parcels are retired for 2008.)

Summary:

2007 Assessed Value:	$70,000	2008 Assessed Value:	$0
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM AC2, EQUALIZATION NEW/COMBINATION (CLASS: AGRICULTURAL)

New Parcel (80 Acres)

2008 Assessed Value = ($3,500 per acre x 80 acres) x 0.50 = $140,000
2007 Taxable Value = $50,000 (from original parcel AC) + $50,000 (from original parcel AC1) = $100,000

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________
Prior Year (2007) Capped Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value: ________ 2008 Assessed Value: ________
2007 Capped Value: ________ 2008 Capped Value: ________
2007 Taxable Value: ________ 2008 Taxable Value: ________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM AC2, EQUALIZATION NEW/COMBINATION (CLASS: AGRICULTURAL)

New Parcel (80 Acres)

2008 Assessed Value = ($3,500 per acre x 80 acres) x 0.50 = $140,000
2007 Taxable Value = $50,000 (from original parcel AC) + $50,000 (from original parcel AC1) = $100,000

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value:	$140,000
Prior Year (2007) Taxable Value:	$100,000
Prior Year (2007) Capped Value:	$100,000

Current Year (2008) Assessed Value:	$140,000
Current Year (2008) Taxable Value:	$102,300
Current Year (2008) Capped Value:	$102,300

Ratio of Taxable Value to Assessed Value: $100,000 ÷ $140,000 = 0.7143

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0
Note: There is no adjustment for this parcel because it is to be treated entirely as equalization new for 2008 due to the combination of parcels.

Equalization **New**: $140,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($100,000 - $0) x 1.023] + $0
CV = $102,300

Summary:

2007 Assessed Value:	$140,000	2008 Assessed Value:	$140,000
2007 Capped Value:	$100,000	2008 Capped Value:	$102,300
2007 Taxable Value:	$100,000	2008 Taxable Value:	$102,300

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEMS AD AND AD1, EQUALIZATION LOSS/COMBINATION (CLASS: AGRICULTURAL)

The owner of a vacant 40-acre agricultural parcel acquired a contiguous 40-acre agricultural parcel in 2007 and has asked the assessor to combine the two parcels for 2008. The parcels are within the same local school district and within the same section. The assessor combines the two parcels for 2008 and retires the parcel numbers of the two original parcels. The two 40-acre parcels both consisted of vacant tillable land valued at $3,500 per acre. The assessor has determined that the same rate per acre applies to the resulting 80-acre parcel. The 2007 taxable value was $50,000 (each) for both of the original parcels. The acquisition by the property owner of one of the 40-acre parcels was a transfer of ownership and the taxable value of that property must be uncapped for 2008. There were no physical changes, etc. to the parcels during 2007.

Original Parcels (40 Acres Each)

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

2008 Equalization Loss: ________
2008 Headlee Losses: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions

CV = [(________ - ________) x 1.023] + ________

CV = ________

Summary:

2007 Assessed Value: ________ 2008 Assessed Value: ________
2007 Capped Value: ________ 2008 Capped Value: ________
2007 Taxable Value: ________ 2008 Taxable Value: ________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEMS AD AND AD1, EQUALIZATION LOSS/COMBINATION (CLASS: AGRICULTURAL)

The owner of a vacant 40-acre agricultural parcel acquired a contiguous 40-acre agricultural parcel in 2007 and has asked the assessor to combine the two parcels for 2008. The parcels are within the same local school district and within the same section. The assessor combines the two parcels for 2008 and retires the parcel numbers of the two original parcels. The two 40-acre parcels both consisted of vacant tillable land valued at $3,500 per acre. The assessor has determined that the same rate per acre applies to the resulting 80-acre parcel. The 2007 taxable value was $50,000 (each) for both of the original parcels. The acquisition by the property owner of one of the 40-acre parcels was a transfer of ownership and the taxable value of that property must be uncapped for 2008. There were no physical changes, etc. to the parcels during 2007.

	Original Parcels (40 Acres Each)	
Inflation Rate Multiplier (IRM):	1.023	
Prior Year (2007) Assessed Value:	$70,000	
Prior Year (2007) Taxable Value:	$50,000	
Current Year (2008) Assessed Value:	$0	
Current Year (2008) Taxable Value:	$0	
Current Year (2008) Capped Value:	$51,150	(Disregarded due to parcel retirements)

2008 Equalization Loss: $70,000 (Loss is the entire assessed value of the original parcels.)
2008 Headlee Losses: $0 (There were no physical changes to the parcels, etc.)

Ratio of Taxable Value to Assessed Value: $50,000 ÷ $70,000 = 0.7143

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $70,000 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150 (However, no calculation is required because the parcels are retired for 2008.)

Summary:

2007 Assessed Value:	$70,000	2008 Assessed Value:	$0
2007 Capped Value:	$50,000	2008 Capped Value:	$51,150
2007 Taxable Value:	$50,000	2008 Taxable Value:	$0

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM AD2, EQUALIZATION NEW/COMBINATION WITH A TRANSFER OF OWNERSHIP (CLASS: AGRICULTURAL)

New Parcel (80 Acres)

2008 Assessed Value = ($3,500 per acre x 80 acres) x 0.50 = $140,000
2007 Taxable Value = $50,000 (from original parcel AD) + $50,000 (from original parcel AD1) = $100,000

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________
Prior Year (2007) Capped Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Total Increase due to New Construction: = ________
Total Increase due to Adjustment: = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value: ________ 2008 Assessed Value: ________
2007 Capped Value: ________ 2008 Capped Value: ________
2007 Taxable Value: ________ 2008 Taxable Value: ________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM AD2, EQUALIZATION NEW/COMBINATION WITH A TRANSFER OF OWNERSHIP (CLASS: AGRICULTURAL)

New Parcel (80 Acres)

2008 Assessed Value = ($3,500 per acre x 80 acres) x 0.50 = $140,000
2007 Taxable Value = $50,000 (from original parcel AD) + $50,000 (from original parcel AD1) = $100,000

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $140,000
Prior Year (2007) Taxable Value: $100,000
Prior Year (2007) Capped Value: $100,000

Current Year (2008) Assessed Value: $140,000
Current Year (2008) Taxable Value: $121,150
Current Year (2008) Capped Value: $121,150

Ratio of Taxable Value to Assessed Value: $100,000 ÷ $140,000 = 0.7143

Total Increase due to New Construction: = $0
Total Increase due to Adjustment: = $0

Note: There is no adjustment for this parcel because it is to be treated entirely as equalization new for 2008 due to the combination of parcels.

Equalization **New**: $140,000 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:

CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($50,000 - $0) x 1.023] + $0
CV = $51,150 (Parcel AD portion of the new 80-acre parcel which is not to be uncapped)
\+ $70,000 (Assessed value of the AD1 portion of the new 80-acre parcel which is uncapped)
CV= $121,150 (Capped value of the entire new 80-acre parcel)

Summary:

2007 Assessed Value:	$140,000	2008 Assessed Value:	$140,000
2007 Capped Value:	$100,000	2008 Capped Value:	$121,150
2007 Taxable Value:	$100,000	2008 Taxable Value:	$121,150

L-4025 Additions: $0
L-4025 Losses: $0

PROBLEM AE, MARCH BOARD OF REVIEW REDUCTION (CLASS: RESIDENTIAL)

In 2006 a property owner had a one-story addition constructed. The assessor mistakenly valued the addition as a two-story addition. The property owner discovered the error and appealed to the 2008 March Board of Review which made the correction for 2008. The 2007 taxable value was $100,000. The 2007 assessed value was $120,000. The 2007 assessed value attributable to the land was $30,000. The 2007 assessed value attributable to the house was $90,000. After the correction is made, the assessed value of the house was $75,000 for 2008. There was no general market change for this property for 2008 and there were no physical changes to the parcel for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM AE, MARCH BOARD OF REVIEW REDUCTION (CLASS: RESIDENTIAL)

In 2006 a property owner had a one-story addition constructed. The assessor mistakenly valued the addition as a two-story addition. The property owner discovered the error and appealed to the 2008 March Board of Review which made the correction for 2008. The 2007 taxable value was $100,000. The 2007 assessed value was $120,000. The 2007 assessed value attributable to the land was $30,000. The 2007 assessed value attributable to the house was $90,000. After the correction is made, the assessed value of the house was $75,000 for 2008. There was no general market change for this property for 2008 and there were no physical changes to the parcel for 2008.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $120,000
Prior Year (2007) Taxable Value: $100,000

Current Year (2008) Assessed Value: $105,000 ($75,000 + $30,000 = $105,000)
Current Year (2008) Taxable Value: $89,512
Current Year (2008) Capped Value: $89,512

Ratio of Taxable Value to Assessed Value: $100,000 ÷ $120,000 = 0.8333

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $15,000 Headlee **Losses**: $12,500
($30,000 x ($100,000 ÷ $240,000) = $12,500)

Capped Calculation Losses: $12,500

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($100,000 - $12,500) x 1.023] + $0
CV = $89,512

Summary:

2007 Assessed Value:	$120,000	2008 Assessed Value:	$105,000
2007 Capped Value:	$100,000	2008 Capped Value:	$89,512
2007 Taxable Value:	$100,000	2008 Taxable Value:	$89,512

L-4025 Additions: $0
L-4025 Losses: $12,500

Note: The reduction in value is recorded as equalization loss and losses for capped value and millage rollback purposes because the value was originally added to the assessment roll as equalization new and additions for capped value and millage rollback purposes (it is property removed from the roll).

PROBLEM AF, MARCH BOARD OF REVIEW REDUCTION (CLASS: RESIDENTIAL)

A parcel was valued at $124,000 in assessed value for 2007. The 2007 taxable value of this property was $110,000. For 2008 the assessor increased the assessment of this parcel to $130,000. The property owner disagreed with the true cash value determined by the assessor ($260,000) and appealed to the 2008 March Board of Review. The property owner's contention that the property was overvalued by the assessor was based solely on an appraisal the property owner had performed for the property. The appraisal indicated the value of the parcel to be $240,000 as of tax day for 2008. The Board of Review considered the appraisal and agreed that the 2008 assessed value should be reduced to $120,000 for the reason that the property was simply overvalued by the assessor.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: __________
Prior Year (2007) Taxable Value: __________

Current Year (2008) Assessed Value: __________
Current Year (2008) Taxable Value: __________
Current Year (2008) Capped Value: __________

Ratio of Taxable Value to Assessed Value: __________ ÷ __________ = __________

Equalization **New**: __________ Headlee **Additions**: __________

Capped Calculation Additions: __________

Equalization Adjustment: __________

Equalization **Loss**: __________ Headlee **Losses**: __________

Capped Calculation Losses: __________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(__________ - __________) x 1.023] + __________
CV = __________

Summary:

2007 Assessed Value:	__________	2008 Assessed Value:	__________
2007 Capped Value:	__________	2008 Capped Value:	__________
2007 Taxable Value:	__________	2008 Taxable Value:	__________

L-4025 Additions: __________
L-4025 Losses: __________

PROBLEM AF, MARCH BOARD OF REVIEW REDUCTION (CLASS: RESIDENTIAL)

A parcel was valued at $124,000 in assessed value for 2007. The 2007 taxable value of this property was $110,000. For 2008 the assessor increased the assessment of this parcel to $130,000. The property owner disagreed with the true cash value determined by the assessor ($260,000) and appealed to the 2008 March Board of Review. The property owner's contention that the property was overvalued by the assessor was based solely on an appraisal the property owner had performed for the property. The appraisal indicated the value of the parcel to be $240,000 as of tax day for 2008. The Board of Review considered the appraisal and agreed that the 2008 assessed value should be reduced to $120,000 for the reason that the property was simply overvalued by the assessor.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $124,000
Prior Year (2007) Taxable Value: $110,000

Current Year (2008) Assessed Value: $120,000
Current Year (2008) Taxable Value: $112,530
Current Year (2008) Capped Value: $112,530

Ratio of Taxable Value to Assessed Value: $110,000 ÷ $124,000 = 0.8871

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: -$4,000 ($120,000 - $124,000 = -$4,000)

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($110,000 - $0) x 1.023] + $0
CV = $112,530

Summary:

2007 Assessed Value:	$124,000	2008 Assessed Value:	$120,000
2007 Capped Value:	$110,000	2008 Capped Value:	$112,530
2007 Taxable Value:	$110,000	2008 Taxable Value:	$112,530

L-4025 Additions: $0
L-4025 Losses: $0

Note: The reduction in value is recorded as equalization (minus) adjustment since there is no physical change, change in exemption status, etc. The property was simply overvalued. It was not overvalued due to the incorrect addition of a structure, etc. Also, note that the taxable value must increase despite the decrease in assessed value due to the mechanics of the capped value formula.

PROBLEM AG, JULY (OR DECEMBER) BOARD OF REVIEW REDUCTION (CLASS: RESIDENTIAL)

A property owner approaches the 2008 July (or December) Board of Review and requests a reduction in value for 2008. The July (or December) Board of Review determines that it has jurisdiction to grant the request and that the reduction is warranted. The July (or December) Board of Review grants the requested reduction. The 2007 assessed value for the parcel was $75,000; the 2007 taxable value was $68,000. The reduction was in the amount of $10,000 in assessed value for property that was not present on the parcel but that had been mistakenly valued (e.g., actual square footage of 1,460 had been incorrectly valued as 1,640 square feet). There had been no physical change, etc. to the parcel for 2008 and no change in general market conditions for 2008 compared to 2007 for this parcel.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM AG, JULY (OR DECEMBER) BOARD OF REVIEW REDUCTION (CLASS: RESIDENTIAL)

A property owner approaches the 2008 July (or December) Board of Review and requests a reduction in value for 2008. The July (or December) Board of Review determines that it has jurisdiction to grant the request and that the reduction is warranted. The July (or December) Board of Review grants the requested reduction. The 2007 assessed value for the parcel was $75,000; the 2007 taxable value was $68,000. The reduction was in the amount of $10,000 in assessed value for property that was not present on the parcel but that had been mistakenly valued (e.g., actual square footage of 1,460 had been incorrectly valued as 1,640 square feet). There had been no physical change, etc. to the parcel for 2008 and no change in general market conditions for 2008 compared to 2007 for this parcel.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $75,000
Prior Year (2007) Taxable Value: $68,000

Current Year (2008) Assessed Value: $65,000
Current Year (2008) Taxable Value: $60,288
Current Year (2008) Capped Value: $60,288 ($69,564 - ($20,000 x ($69,564 ÷ $150,000)))

Ratio of Taxable Value to Assessed Value: $68,000 ÷ $75,000 = 0.9067

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($68,000 - $0) x 1.023] + $0
CV = $69,564 (before reduction; see above for calculation of CV after reduction)

Summary:

2007 Assessed Value:	$75,000	2008 Assessed Value:	$65,000
2007 Capped Value:	$68,000	2008 Capped Value:	$60,288
2007 Taxable Value:	$68,000	2008 Taxable Value:	$60,288

L-4025 Additions: $0 2008
L-4025 Losses: $0 2008

Note: The loss and Headlee losses associated with this situation will not be recorded until the 2009 assessment roll is prepared. There will be no capped value losses for 2009 since the ending 2008 taxable value will already reflect the July (or December) Board of Review reduction for 2008. There will be Headlee losses for 2009 in the amount of $9,275 ($20,000 x ($69,564 ÷ $150,000) = $9,275). Equalization loss for 2009 will be $10,000.

PROBLEM AH, MICHIGAN TAX TRIBUNAL REDUCTION (CLASS: RESIDENTIAL)

A property owner appealed her 2008 assessed value to the Michigan Tax Tribunal. The basis for the appeal was simply that the 2008 assessed/state equalized value determined by the assessor ($128,000) was too high based on sales of comparable property. The Tribunal heard the appeal and a judgment was entered in November of 2008 reducing the 2008 state equalized value to $115,000. The taxable value determined by the assessor had been $120,000; the revised 2008 taxable value is determined by the revised 2008 state equalized value. There had been no physical change, etc. to the parcel for 2008 and no change in general market conditions for 2008 for the parcel.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: ________
Prior Year (2007) Taxable Value: ________

Current Year (2008) Assessed Value: ________
Current Year (2008) Taxable Value: ________
Current Year (2008) Capped Value: ________

Ratio of Taxable Value to Assessed Value: ________ ÷ ________ = ________

Equalization **New**: ________ Headlee **Additions**: ________

Capped Calculation Additions: ________

Equalization Adjustment: ________

Equalization **Loss**: ________ Headlee **Losses**: ________

Capped Calculation Losses: ________

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [(________ - ________) x 1.023] + ________
CV = ________

Summary:

2007 Assessed Value:	________	2008 Assessed Value:	________
2007 Capped Value:	________	2008 Capped Value:	________
2007 Taxable Value:	________	2008 Taxable Value:	________

L-4025 Additions: ________
L-4025 Losses: ________

PROBLEM AH, MICHIGAN TAX TRIBUNAL REDUCTION (CLASS: RESIDENTIAL)

A property owner appealed her 2008 assessed value to the Michigan Tax Tribunal. The basis for the appeal was simply that the 2008 assessed/state equalized value determined by the assessor ($128,000) was too high based on sales of comparable property. The Tribunal heard the appeal and a judgment was entered in November of 2008 reducing the 2008 state equalized value to $115,000. The taxable value determined by the assessor had been $120,000; the revised 2008 taxable value is determined by the revised 2008 state equalized value. There had been no physical change, etc. to the parcel for 2008 and no change in general market conditions for 2008 for the parcel.

Inflation Rate Multiplier (IRM): 1.023

Prior Year (2007) Assessed Value: $128,000
Prior Year (2007) Taxable Value: $117,303

Current Year (2008) Assessed Value: $115,000
Current Year (2008) Taxable Value: $115,000
Current Year (2008) Capped Value: $120,000

Ratio of Taxable Value to Assessed Value: $117,303 ÷ $128,000 = 0.9164

Equalization **New**: $0 Headlee **Additions**: $0

Capped Calculation Additions: $0

Equalization Adjustment: $0

Equalization **Loss**: $0 Headlee **Losses**: $0

Capped Calculation Losses: $0

Capped Value (CV) Calculation:
CV = [(Prior Year Taxable Value - Losses) x IRM or 1.05 Whichever is Less] + Additions
CV = [($117,303 - $0) x 1.023] + $0
CV = $120,000

Summary:

2007 Assessed Value:	$128,000	2008 Assessed Value:	$115,000
2007 Capped Value:	$117,303	2008 Capped Value:	$120,000
2007 Taxable Value:	$117,303	2008 Taxable Value:	$115,000

L-4025 Additions: $0 2008
L-4025 Losses: $0 2008

Note: The reduction in value will be reflected on the 2009 assessment roll since the 2008 assessment roll has been finalized by the time the Tribunal judgment is rendered. For 2009, there will be no loss, Headlee losses, or capped value losses since the reduction in value was due to a general difference of opinion in the value of the parcel. There was no dispute about the value of new construction, there was no removal of property from the assessment, etc. Therefore, the reduction in value is to be recorded as equalization (minus) adjustment only (for 2009). For example, if the 2009 assessed value is $117,000 (and there are no physical changes to the parcel), there will be $11,000 of minus adjustment for 2009 ($128,000 - $117,000 = $11,000).

FORM L-4021 EXPLANATION

The several pages following this page contain a Form L-4021 completed using the figures from the preceding example problems. A Form L-4021 in real life would contain a line for each parcel, whether the parcels had a change in value, etc. or not. There would also be totals for all the parcels in the local unit, broken down by property class. Also, the example Form L-4021 on the following pages shows problem numbers instead of parcel numbers and the personal property problems are mixed in with the real property problems to allow users of this material to find the personal property problems easily on the Form L-4021. A Form L-4021 in real life would contain parcel numbers and the personal property parcels would be segregated from the real property parcels.

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L-4021

ASSESSMENT ROLL CHANGES WORKSHEET

County		City or Township		Year
EXAMPLE COUNTY, PROBLEMS ONLY		EXAMPLE TOWNSHIP, PROBLEMS ONLY		2008

	Changes to Prepare STC Form L-4022 Only								"Headlee" Changes to Prepare STC Form L-4025 Only		
Property Identification Number	Class Code	2007 Board of Review	2008 Board of Review	Loss	Adjustment (Plus)	Adjustment (Minus)	New	Reason For Change	Additions	Losses	Reason For Change
Problem A	401	38,000	45,000		7,000			Market Adjustment			
Problem B	401	100,000	110,000		10,000			Market Adjustment			
Problem C	201	150,000	187,500		37,500			Market Adjustment			
Problem D	401	125,000	135,000		10,000			Market Adjustment			
Problem E	201	17,500	15,000			-2,500		Market Adjustment			
Problem F	401	300,000	225,000			-75,000		Market Adjustment			
Problem G	401	95,000	85,000			-10,000		Market Adjustment			
Problem H	401	25,000	105,000		2,000		78,000	Adjustment; New House	78,000		New House
Problem I	401	100,000	137,500				37,500	New Construction	37,500		New Construction
Problem J	401	125,000	155,000		5,000		25,000	Adjust.; New Construction	25,000		New Construction
Problem K1	401	72,000	0	72,000				Poverty Exemption		46,287	Poverty Exemption
Problem K2	401	30,000	60,000				30,000	No Longer Exempt	25,575		No Longer Exempt
Problem K3	401	0	65,000				65,000	No Longer Exempt	49,104		No Longer Exempt
Problem K4	401	0	0					Poverty Exemption			Poverty Exemption

L-4021

ASSESSMENT ROLL CHANGES WORKSHEET

County	City or Township	Year
EXAMPLE COUNTY, PROBLEMS ONLY	**EXAMPLE TOWNSHIP, PROBLEMS ONLY**	**2008**

Property Identification Number	Class Code	2007 Board of Review	2008 Board of Review	Loss	Adjustment (Plus)	Adjustment (Minus)	New	Reason For Change	Additions	Losses	Reason For Change
	Changes to Prepare STC Form L-4022 Only								"Headlee" Changes to Prepare STC Form L-4025 Only		
Problem L	101	45,000	0	45,000				Class Change			
Problem L	401	0	55,000				55,000	Class Change			
Problem M	401	50,000	60,000				10,000	Omitted Property	10,000		Omitted Property
Problem M1	401	50,000	50,000								
Problem N	101	80,000	0	80,000				Split/ Retired			
Problem N1	101	0	40,000				40,000	New from Split			
Problem N2	101	0	40,000				40,000	New from Split			
Problem O	101	80,000	0	80,000				Split/ Retired			
Problem O1	101	0	40,000				40,000	New from Split			
Problem O2	101	0	40,000				40,000	New from Split			
Problem P	101	80,000	0	80,000				Split/ Retired			
Problem P1	101	0	40,000				40,000	New from Split			
Problem P2	101	0	75,000				75,000	Split; New Construction	35,000		New Construction
Problem Q	101	125,000	0	125,000				Class Change			

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L-4021

ASSESSMENT ROLL CHANGES WORKSHEET

		County				City or Township			Year		
		EXAMPLE COUNTY, PROBLEMS ONLY				EXAMPLE TOWNSHIP, PROBLEMS ONLY			2008		
	Changes to Prepare STC Form L-4022 Only								"Headlee" Changes to Prepare STC Form L-4025 Only		
Property Identification Number	Class Code	2007 Board of Review	2008 Board of Review	Loss	Adjustment (Plus)	Adjustment (Minus)	New	Reason For Change	Additions	Losses	Reason For Change
Problem Q	401	0	130,000				130,000	Class Change			
Problem R	401	20,000	120,000				100,000	Replacement Construction	78,707		Replacement Construction
Problem S	201	20,000	0	20,000				Taxable to Exempt		18,000	Taxable to Exempt
Problem T	401	0	35,000				35,000	Exempt to Taxable	35,000		Exempt to Taxable
Problem U	401	120,000	0	120,000				Split/ Retired			
Problem U1	401	0	15,000				15,000	New from Split			
Problem U2	401	0	15,000				15,000	New from Split			
Problem U3	401	0	15,000				15,000	New from Split			
Problem U4	401	0	15,000				15,000	New from Split			
Problem U5	401	0	102,000				102,000	New from Split			
Problem V	251	26,000	34,000				8,000	New Acquisitions	10,000		New Acquisitions
Problem W	401	200,000	50,000	150,000				Fire Damage		75,000	Fire Damage
Problem X	101	60,000	0	60,000				Class Change			
Problem X	401	0	135,000				135,000	Class Change; New House	75,000		New House

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ASSESSMENT ROLL CHANGES WORKSHEET

County: **EXAMPLE COUNTY, PROBLEMS ONLY**
City or Township: **EXAMPLE TOWNSHIP, PROBLEMS ONLY**
Year: **2008**

	Changes to Prepare STC Form L-4022 Only								"Headlee" Changes to Prepare STC Form L-4025 Only		
Property Identification Number	Class Code	2007 Board of Review	2008 Board of Review	Loss	Adjustment (Plus)	Adjustment (Minus)	New	Reason For Change	Additions	Losses	Reason For Change
Problem Y	401	45,000	45,000					Transfer of Ownership			
Problem Z	401	85,000	100,000				15,000	Exempt to Taxable	15,000		Exempt to Taxable
Problem AA	401	85,000	85,000								
Problem AB	401	85,000	79,000	6,000				Taxable to Exempt		3,529	Taxable to Exempt
Problem AC	101	70,000	0	70,000				Combination/ Retired			
Problem AC1	101	70,000	0	70,000				Combination/ Retired			
Problem AC2	101	0	140,000				140,000	New from Combination			
Problem AD	101	70,000	0	70,000				Combination/ Retired			
Problem AD1	101	70,000	0	70,000				Combination/ Retired			
Problem AD2	101	0	140,000				140,000	New from Combination			
Problem AE	401	120,000	105,000	15,000				Property Removed		12,500	Property Removed
Problem AF	401	124,000	120,000			-4,000		Market Adjustment			
Problem AG	401	75,000	75,000								
Problem AH	401	128,000	128,000								

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ASSESSMENT ROLL CHANGES WORKSHEET

		County **EXAMPLE COUNTY, PROBLEMS ONLY**				City or Township **EXAMPLE TOWNSHIP, PROBLEMS ONLY**				Year **2008**	
	Changes to Prepare STC Form L-4022 Only								"Headlee" Changes to Prepare STC Form L-4025 Only		
Property Identification Number	Class Code	2007 Board of Review	2008 Board of Review	Loss	Adjustment (Plus)	Adjustment (Minus)	New	Reason For Change	Additions	Losses	Reason For Change
Total Agricultural	---	750,000	555,000	750,000	0	0	555,000	---	35,000	0	---
Total Commercial	---	187,500	202,500	20,000	37,500	-2,500	0	---	0	18,000	---
Total Industrial	---	0	0	0	0	0	0	---	0	0	---
Total Residential	---	2,197,000	2,656,500	363,000	34,000	-89,000	877,500	---	428,886	137,316	---
Total Timber-Cutover	---	0	0	0	0	0	0	---	0	0	---
Total Developmental	---	0	0	0	0	0	0	---	0	0	---
Total Personal	---	26,000	34,000	0	0	0	8,000	---	10,000	0	---
Grand Total	---	3,160,500	3,448,000	1,133,000	71,500	-91,500	1,440,500	---	473,886	155,316	---

FORMS L-4022 EXPLANATION

The pages following this page contain Forms L-4022. The first Form L-4022 was completed using the figures from the example problems. The second Form L-4022 contains figures from the example problems plus figures from all the other parcels in the hypothetical local unit where the example problems occurred. Form L-4022 is used to report a summary for equalization purposes of the prior-year assessed values, current-year assessed values, and new, loss, and adjustment.

L-4022

2008 Report of Assessment Roll Changes and Classification

INSTRUCTIONS: Assessing officers are required to report the total assessed value for each class of property and the assessment roll changes for each class of property for County and State Equalization. This form is issued under authority of P.A. 206 of 1893. This report shall be signed by the assessing officer and filed with the State Tax Commission and the County Equalization Department immediately following adjournment of the Board of Review - Administrative Rule 209.26(10b). **REPORT ONLY ASSESSED VALUES ON THIS FORM.**

County	City or Township
EXAMPLE COUNTY, PROBLEMS ONLY	EXAMPLE TOWNSHIP, PROBLEMS ONLY

REAL PROPERTY	2007 Board of Review	Loss	+ or (-) Adjustment	New	2008 Board of Review
100 Agricultural	750,000	750,000	0	555,000	555,000
200 Commercial	187,500	20,000	35,000	0	202,500
300 Industrial	0	0	0	0	0
400 Residential	2,197,000	363,000	-55,000	877,500	2,656,500
500 Timber - Cutover	0	0	0	0	0
600 Developmental	0	0	0	0	0
800 Total Real	3,134,500	1,133,000	-20,000	1,432,500	3,414,000
PERSONAL PROPERTY	**2007 Board of Review**	**Loss**	**+ or (-) Adjustment**	**New**	**2008 Board of Review**
150 Agricultural	0	0	0	0	0
250 Commercial	26,000	0	0	8,000	34,000
350 Industrial	0	0	0	0	0
450 Residential	0	0	0	0	0
550 Utility	0	0	0	0	0
850 Total Personal	26,000	0	0	8,000	34,000

CERTIFICATION

Assessing Officer Signature	Date	Certificate Number

ORIGINAL - TO STATE TAX COMMISSION . (To be mailed by the Assessor immediately upon adjournment of the Board of Review.)
P.O. BOX 30471
LANSING, MI 48909-7971

FIRST COPY - TO COUNTY EQUALIZATION DEPARTMENT. (To be reviewed and approved by the County Equalization Department. If report is found to be in error by the County Equalization Department, the errors should be corrected and a copy should be sent to the State Tax Commission.)

SECOND COPY - RETAINED BY ASSESSING OFFICER.

Any assessing officer who, subsequent to filing the ORIGINAL and the FIRST COPY, discovers that said report is in error shall file a corrected report with the Equalization Department for their review and approval of the correction before transmitting same to the State Tax Commission.

INSTRUCTIONS FOR FORM L-4022

P.A. 381, 1978 prescribes six real property and five personal property classifications.

REAL PROPERTY: Agricultural (Ag.), Commercial (C.), Industrial (Ind.), Residential (R.), Timber - Cutover T.C.) and Developmental (D.). These Real Property classes are equalized separately.

PERSONAL PROPERTY: Agricultural (Ag. P.), Commercial (C.P.), Industrial (Ind. P.) Residential (R.P.) and Utilities (Util. P.). All classes of Personal Property are equalized together as one class.

Each assessing officer must report total assessed value, assessed value of losses, assessed value of adjustments and new assessed value for each class of property. All entries are to be the assessed values as approved by the Board of Review. Form L-4021 and supporting form L-4022 shall be filed with the county equalization director for review and audit by the State Tax Commission.

REAL PROPERTY

NEW - Assessment increases because of added true cash value not accounted for in the starting ratio on form 603 (formerly L-4018-R), including:

1. Description on roll for first time or returned from exempt status.

2. Building or other improvement put on description.

3. New additions and improvements.

4. Further completion of new construction. (For example: partially complete building assessed at $2,500 last year; assessment raised to $3,500 this year because completed; the $1,000 increase is NEW.)

5. Platted land. (For example: a 40 acre parcel was assessed last year for $10,000; the land has been platted into 200 lots at $300 each or $60,000; the increased assessment would be NEW $50,000. If property had been classified Agricultural, there would be $60,000 NEW in Residential and $10,000 LOSS in Agricultural.)

6. Increased land value or improved economic conditions. **Note:** Increases in assessments from one year to the next due to inflationary increases in value are to be reported on form L-4022, if not included in the equalization study report on form 603 (formerly L-4018-R).

(The New listed on Form L-4022 may not qualify for Additions on Form L-4025. See instructions on L-4025.)
Also, the amount of the NEW for equalization purposes for a particular item may not be the same as the amount of the ADDITION for the cap for that same item. For example, an IFT NEW FACILITY whose exemption has expired comes on the ad valorem roll at 50% of true cash value, but the ADDITION may be less than 50%. See pages 6-8 of STC Bulletin 18 of 1995.

LOSS - Assessment decreases because of loss of true cash value not accounted for on form 603 (formerly L-4018-R), including:

1. Description removed from roll (annexation).

2. Building or other improvements destroyed or removed or exempt.

3. Part of a building removed or destroyed (Note: Tax day is December 31).

4. Losses from change of description (such as in item 5 under NEW).

5. Land reverted to state or otherwise exempt.

ADJUSTMENTS - All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

1. Individual assessments raised or lowered to establish uniformity and meet the 50 percent requirement.

PERSONAL PROPERTY

NEW - Assessment increases because of added true cash value not accounted for on form 602 (formerly L-4018-P), including:

1. First time on roll. (For example: a new commercial tenant.)

2. Additional equipment or furnishings. (For example: a business acquired additional equipment so the total true cash value of the equipment and furnishings increased from $50,000 to $80,000. The assessment therefore was raised from $25,000 last year to $40,000 and the $15,000 increase is NEW.)

3. Change in law, reducing exemptions (Inventory, termination of Act 198 certificate, etc.).

LOSS - Assessment decreases because of loss of true cash value not accounted for on form 602 (formerly L-4018-P), including:

1. Removal from roll. (Out of business, etc.).

2. Fire losses or other damage. (Note: Tax day is December 31).

3. Decrease in true cash value of equipment, pipe lines, furnishings, equipment, etc.

4. Change in law, increasing exemptions (Inventory, air, water or Act 198 certificate, etc.).

ADJUSTMENTS - All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

Individual assessments raised or lowered to establish uniformity.

<u>IMPORTANT NOTICE</u>

Please be advised that L-4022's are used in the equalization process in exactly the same way as they have been in the past, before the passage of Proposal A on March 15, 1994. In other words, Capped and Taxable Values play no part in the determination of County or State Equalized Valuations. **DO NOT REPORT CAPPED OR TAXABLE VALUES ON FORMS L-4022, L-4023 OR L-4024. STC FORM L-4022 MUST BE CERTIFIED BY THE ASSESSOR BY SIGNING THE COMPLETED REPORT. UNSIGNED FORMS WILL BE RETURNED TO THE ASSESSOR.**

L-4022

2008 Report of Assessment Roll Changes and Classification

INSTRUCTIONS: Assessing officers are required to report the total assessed value for each class of property and the assessment roll changes for each class of property for County and State Equalization. This form is issued under authority of P.A. 206 of 1893. This report shall be signed by the assessing officer and filed with the State Tax Commission and the County Equalization Department immediately following adjournment of the Board of Review - Administrative Rule 209.26(10b). **REPORT ONLY ASSESSED VALUES ON THIS FORM.**

County	City or Township
EXAMPLE COUNTY, ALL PARCELS	EXAMPLE TOWNSHIP, ALL PARCELS

REAL PROPERTY	**2007 Board of Review**	**Loss**	**+ or (-) Adjustment**	**New**	**2008 Board of Review**
100 Agricultural	8,574,050	929,650	-50,650	568,650	8,162,400
200 Commercial	136,453,250	2,703,245	2,244,781	7,302,614	143,297,400
300 Industrial	15,256,000	576,400	0	2,441,750	17,121,350
400 Residential	683,264,230	2,654,467	-8,935,399	10,663,186	682,337,550
500 Timber - Cutover	0	0	0	0	0
600 Developmental	0	0	0	0	0
800 Total Real	843,547,530	6,863,762	-6,741,268	20,976,200	850,918,700
PERSONAL PROPERTY	**2007 Board of Review**	**Loss**	**+ or (-) Adjustment**	**New**	**2008 Board of Review**
150 Agricultural	0	0	0	0	0
250 Commercial	36,017,505	15,592,605	0	4,780,200	25,205,100
350 Industrial	715,400	85,400	0	15,750,500	16,380,500
450 Residential	0	0	0	0	0
550 Utility	9,844,350	26,450	0	728,800	10,546,700
850 Total Personal	46,577,255	15,704,455	0	21,259,500	52,132,300

CERTIFICATION

Assessing Officer Signature	Date	Certificate Number

ORIGINAL - TO STATE TAX COMMISSION . (To be mailed by the Assessor immediately upon adjournment of the Board of Review.)
P.O. BOX 30471
LANSING, MI 48909-7971

FIRST COPY - TO COUNTY EQUALIZATION DEPARTMENT. (To be reviewed and approved by the County Equalization Department. If report is found to be in error by the County Equalization Department, the errors should be corrected and a copy should be sent to the State Tax Commission.)

SECOND COPY - RETAINED BY ASSESSING OFFICER.

Any assessing officer who, subsequent to filing the ORIGINAL and the FIRST COPY, discovers that said report is in error shall file a corrected report with the Equalization Department for their review and approval of the correction before transmitting same to the State Tax Commission.

INSTRUCTIONS FOR FORM L-4022

P.A. 381, 1978 prescribes six real property and five personal property classifications.

REAL PROPERTY: Agricultural (Ag.), Commercial (C.), Industrial (Ind.), Residential (R.), Timber - Cutover T.C.) and Developmental (D.). These Real Property classes are equalized separately.

PERSONAL PROPERTY: Agricultural (Ag. P.), Commercial (C.P.), Industrial (Ind. P.) Residential (R.P.) and Utilities (Util. P.). All classes of Personal Property are equalized together as one class.

Each assessing officer must report total assessed value, assessed value of losses, assessed value of adjustments and new assessed value for each class of property. All entries are to be the assessed values as approved by the Board of Review. Form L-4021 and supporting form L-4022 shall be filed with the county equalization director for review and audit by the State Tax Commission.

REAL PROPERTY

NEW - Assessment increases because of added true cash value not accounted for in the starting ratio on form 603 (formerly L-4018-R), including:

1. Description on roll for first time or returned from exempt status.
2. Building or other improvement put on description.
3. New additions and improvements.
4. Further completion of new construction. (For example: partially complete building assessed at $2,500 last year; assessment raised to $3,500 this year because completed; the $1,000 increase is NEW.)
5. Platted land. (For example: a 40 acre parcel was assessed last year for $10,000; the land has been platted into 200 lots at $300 each or $60,000; the increased assessment would be NEW $50,000. If property had been classified Agricultural, there would be $60,000 NEW in Residential and $10,000 LOSS in Agricultural.)
6. Increased land value or improved economic conditions. **Note:** Increases in assessments from one year to the next due to inflationary increases in value are to be reported on form L-4022, if not included in the equalization study report on form 603 (formerly L-4018-R).

(The New listed on Form L-4022 may not qualify for Additions on Form L-4025. See instructions on L-4025.) Also, the amount of the NEW for equalization purposes for a particular item may not be the same as the amount of the ADDITION for the cap for that same item. For example, an IFT NEW FACILITY whose exemption has expired comes on the ad valorem roll at 50% of true cash value, but the ADDITION may be less than 50%. See pages 6-8 of STC Bulletin 18 of 1995.

LOSS - Assessment decreases because of loss of true cash value not accounted for on form 603 (formerly L-4018-R), including:

1. Description removed from roll (annexation).
2. Building or other improvements destroyed or removed or exempt.
3. Part of a building removed or destroyed (Note: Tax day is December 31).
4. Losses from change of description (such as in item 5 under NEW).
5. Land reverted to state or otherwise exempt.

ADJUSTMENTS - All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

1. Individual assessments raised or lowered to establish uniformity and meet the 50 percent requirement.

PERSONAL PROPERTY

NEW - Assessment increases because of added true cash value not accounted for on form 602 (formerly L-4018-P), including:

1. First time on roll. (For example: a new commercial tenant.)

2. Additional equipment or furnishings. (For example: a business acquired additional equipment so the total true cash value of the equipment and furnishings increased from $50,000 to $80,000. The assessment therefore was raised from $25,000 last year to $40,000 and the $15,000 increase is NEW.)

3. Change in law, reducing exemptions (Inventory, termination of Act 198 certificate, etc.).

LOSS - Assessment decreases because of loss of true cash value not accounted for on form 602 (formerly L-4018-P), including:

1. Removal from roll. (Out of business, etc.).

2. Fire losses or other damage. (Note: Tax day is December 31).

3. Decrease in true cash value of equipment, pipe lines, furnishings, equipment, etc.

4. Change in law, increasing exemptions (Inventory, air, water or Act 198 certificate, etc.).

ADJUSTMENTS - All changes in the assessment roll OTHER than those caused by changes in true cash value which qualify as NEW or LOSS, including:

Individual assessments raised or lowered to establish uniformity.

<u>IMPORTANT NOTICE</u>

Please be advised that L-4022's are used in the equalization process in exactly the same way as they have been in the past, before the passage of Proposal A on March 15, 1994. In other words, Capped and Taxable Values play no part in the determination of County or State Equalized Valuations. **DO NOT REPORT CAPPED OR TAXABLE VALUES ON FORMS L-4022, L-4023 OR L-4024. STC FORM L-4022 MUST BE CERTIFIED BY THE ASSESSOR BY SIGNING THE COMPLETED REPORT. UNSIGNED FORMS WILL BE RETURNED TO THE ASSESSOR.**

FORMS L-4025 EXPLANATION

The several pages following this page contain (portions of) Forms L-4025. The first Form L-4025 was completed using the figures from the example problems. The second Form L-4025 contains figures from the example problems plus figures from all the other parcels in the hypothetical local unit where the example problems occurred. The Form L-4025 is used to report prior-year taxable values, current-year taxable values, and additions and losses for millage rollback purposes. Figures on Form L-4025 are used on Form L-4034 to calculate rollback fractions. Only the portions of the Forms L-4025 for all real and personal property (i.e., the grand totals) are provided as part of the course text materials. In practice, Forms L-4025 cover each class of real property, totals for all real property, totals for all personal property, and grand totals for all real and personal property.

Michigan Department of Treasury
609 (Rev. 4-08)

L-4025

2008 Report of Taxable Valuations Including Additions, Losses and Totals as Approved by the Board of Review

INSTRUCTIONS: MCL Section 211.34d requires the assessing officer to tabulate the total taxable valuations and the amount of losses and additions, for each classification of property (which is separately equalized) on or before the first Monday in May for each unit of government that levies taxes within its boundaries.

Type of Property (Check one)

- ☒ Agricultural Real
- ☒ Commercial Real
- ☒ Industrial Real
- ☒ Residential Real
- ☒ Timber Cutover Real
- ☒ Developmental Real
- ☒ Total Personal

County	City or Township
EXAMPLE COUNTY, PROBLEMS ONLY	EXAMPLE TOWNSHIP, PROBLEMS ONLY

List school districts on page 2.	Total 2007 Taxable Valuation	2007 Taxable Valuation of Losses (Not Reclassified, Splits, etc.)	2008 Taxable Valuation of Additions (Not Reclassified, Splits, etc.)	Total 2008 Taxable Valuation
1. Total City or Township	2,310,590	155,316	473,886	2,746,585
2. Villages				
3. Authorities				
4. Other				

	Total 2007 Taxable Valuation	2007 Taxable Valuation of Losses (Not Reclassified, Splits, etc.)	2008 Taxable Valuation of Additions (Not Reclassified, Splits, etc.)	Total 2008 Taxable Valuation
5. School District (Name and Code Number)				

Signature of Assessing Officer	Certificate Number	Date

MAILING: Send completed forms to the Equalization Department on or before the first Monday in May. The Equalization Department will keep the completed forms on file for audit.

ERRORS: The Equalization Department should correct any errors in totaling the taxable values in this report. If the assessing officer finds an error after the report has been filed, he or she must file a corrected report with the Equalization Department.

Michigan Department of Treasury
609 (Rev. 4-08)

L-4025

2008 Report of Taxable Valuations Including Additions, Losses and Totals as Approved by the Board of Review

INSTRUCTIONS: MCL Section 211.34d requires the assessing officer to tabulate the total taxable valuations and the amount of losses and additions, for each classification of property (which is separately equalized) on or before the first Monday in May for each unit of government that levies taxes within its boundaries.

Type of Property (Check one)

- [X] Agricultural Real
- [X] Commercial Real
- [X] Industrial Real
- [X] Residential Real
- [X] Timber Cutover Real
- [X] Developmental Real
- [X] Total Personal

County	City or Township
EXAMPLE COUNTY, ALL PARCELS	EXAMPLE TOWNSHIP, ALL PARCELS

List school districts on page 2.	Total 2007 Taxable Valuation	2007 Taxable Valuation of Losses (Not Reclassified, Splits, etc.)	2008 Taxable Valuation of Additions (Not Reclassified, Splits, etc.)	Total 2008 Taxable Valuation
1. Total City or Township	790,379,760	5,623,535	27,926,351	812,759,786
2. Villages				
3. Authorities				
4. Other				

5. School District (Name and Code Number)	Total 2007 Taxable Valuation	2007 Taxable Valuation of Losses (Not Reclassified, Splits, etc.)	2008 Taxable Valuation of Additions (Not Reclassified, Splits, etc.)	Total 2008 Taxable Valuation
School District A (00000)	592,053,149	5,298,750	16,436,204	601,781,350
(Non-PRE/MBT)	198,326,611	477,235	11,623,797	210,978,436

Signature of Assessing Officer	Certificate Number	Date

MAILING: Send completed forms to the Equalization Department on or before the first Monday in May. The Equalization Department will keep the completed forms on file for audit.

ERRORS: The Equalization Department should correct any errors in totaling the taxable values in this report. If the assessing officer finds an error after the report has been filed, he or she must file a corrected report with the Equalization Department.

FORM L-4034 EXPLANATION

The next page contains a Form L-4034 completed using figures for all parcels in the hypothetical local unit where the example problems occurred. The figures used on the Form L-4034 come from the Form L-4025 contained on the prior pages. Form L-4034 is used to calculate millage rollback fractions for use on Form L-4029. For the Form L-4034 on the following page, it is assumed for purposes of the course materials that the local unit did not receive an equalization factor for 2008.

Michigan Department of Treasury
2166 (Rev. 4-08)

L-4034

2008 Millage Reduction Fraction Calculations Worksheet

Including Millage Reduction Fraction Calculations Not Specifically Assigned to the County Equalization Director by Law

County	Taxing Jurisdiction
EXAMPLE COUNTY, ALL PARCELS	EXAMPLE TOWNSHIP, ALL PARCELS

2007 Total Taxable Value	790,379,760.00
Losses	5,623,535.00
Additions	27,926,351.00
2008 Total Taxable Value Based on SEV	812,759,786.00
2008 Total Taxable Value Based on Assessed Value (A.V.)	812,759,786.00
2008 Total Taxable Value Based on CEV	812,759,786.00

NOTE: The last two items above are only needed when it is necessary to calculate a Truth in Assessing or Truth in County Equalization Rollback Fraction.

1. Section 211.34d, MCL, "Headlee" (for each unit of local government)

$$\frac{\text{(2007 Total Taxable Value - Losses) X Inflation Rate of 1.023}}{\text{(2008 Total Taxable Value Based on SEV - Additions)}} = \mathbf{1.0000}$$

2008 Millage Reduction Fraction (Headlee). Round to 4 decimal places in the conventional manner. If number exceeds 1.0000, line through and enter 1.0000.

See State Tax Commission Bulletins No. 3 of 1995 and 19 of 2002 regarding the calculation of losses and additions. See also the Supplements to STC Bulletin No. 3 of 1995 contained in STC Bulletin No. 3 of 1997.

2a. Section 211.34, MCL, "Truth in Assessing" (for cities and townships if S.E.V. exceeds A.V. for 2008 only)

$$\frac{\text{2008 Total Taxable Value Based on Assessed Value for all Classes}}{\text{2008 Total Taxable Value Based on SEV for all Classes}} = \mathbf{NA}$$

2008 Rollback Fraction (Truth in Assessing) Round to 4 decimal places in the conventional manner.

See State Tax Commission Bulletin No. 2 of 2008 for more information regarding this calculation.

2b. Section 211.34, MCL, "Truth in County Equalization" (for villages, counties and authorities if S.E.V. exceeds C.E.V. for 2008 only)

$$\frac{\text{2008 Total Taxable Value based on CEV for all Classes}}{\text{2008 Total Taxable Value based on SEV for all Classes}} = \mathbf{NA}$$

2008 Rollback Fraction (Truth in County Equalization) Round to 4 decimal places in the conventional manner.

See State Tax Commission Bulletin No. 2 of 2008 for more information regarding this calculation.

3. Section 211.24e, MCL, "Truth in Taxation" (for each taxing jurisdiction that levied more than 1 mill for operating purposes in 2007 only).

$$\frac{\text{(2007 Total Taxable Value - Losses)}}{\text{(2008 Total Taxable Value Based on SEV - Additions)}} = \mathbf{0.9999}$$

2008 Base Tax Rate Fraction (Truth in Taxation) Round to 4 decimal places in the conventional manner.

Use the same amounts for additions and losses as were used for the 211.34d ("Headlee") rollback.

NOTE: The truth in taxation BTRF is independent from the cumulative millage reductions provided by sections 211.34d and 211.34. The Base Tax Rate equals the BTRF X 2007 Operating Rate levied.

FORMS L-4028 AND L-4028 IC EXPLANATION

The next page contains a Form L-4028 completed using the figures from the Form L-4025 which contained figures from all the parcels in the hypothetical local unit where the example problems occurred. The Form L-4028 is completed by the County equalization director. It shows the millage reduction fractions (MRF) for all local units located completely within the County and all other taxing entities located completely within the County. It also contains information used to calculate MRF for local units and other taxing entities located in two or more Counties. Equalization directors are also responsible for completing Form L-4028 IC for intercounty taxing entities. In practice, the Form L-4028 on the next page would contain many entries (as opposed to just the one for the example Township in the course materials). An example of a completed L-4028 IC is not provided.

Michigan Department of Treasury
612 (Rev. 4-08)

L-4028

2008 Millage Reduction Fraction Computation

This form is issued under authority of Sections 211.34d and 211.150, M.C.L. Filing of this form is mandatory. Failure to file is punishable under Section 211.119, M.C.L.

INSTRUCTIONS: This form is to be completed by the county equalization director for all taxing jurisdictions which levy a property tax in his/her county. This form is to be filed with each unit of local government and with the State Tax Commission. Also provide a copy of this form to the equalization director of each county which shares an intercounty taxing jurisdiction. On this initial computation form, the 2008 millage reduction fraction (MRF) can be calculated only for taxing jurisdictions located exclusively within a single county. This will include the county unit as well as all townships and nearly every city and village. The MRF for a school district which is not fractional with any other county can also be calculated and listed on this form. For any taxing jurisdiction which extends into one or more other counties, leave the MRF column blank and enter the notation "IC" for intercounty.

County
EXAMPLE COUNTY

Code Number	Taxing Jurisdiction	2007 Taxable Value as of 5/29/07	2008 Taxable Value as of 5/27/08	Taxable Value of Losses	Taxable Value of Additions	2008 Millage Reduction Fraction (1)
01	EXAMPLE TOWNSHIP	790,379,760	812,759,786	5,623,535	27,926,351	1.0000

(1) If this calculation results in a number greater than 1.0000, enter 1.0000.

FORM L-4029 EXPLANATION

The next two pages contain a Form L-4029 completed using figures for all parcels in the hypothetical local unit where the example problems occurred. Form L-4029 is used to request the levy of millage rates.

Michigan Department of Treasury
614 (Rev. 4-08)

ORIGINAL TO: County Clerk(s)
COPY TO: Equalization Department(s)
COPY TO: Each township or city clerk

L-4029

2008 Tax Rate Request **(This form must be completed and submitted on or before September 30, 2008)**

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County	2008 Taxable Value of ALL Properties in the Unit as of 5-27-08
EXAMPLE COUNTY	812,759,786
Local Government Unit: EXAMPLE TOWNSHIP	For LOCAL School Districts: 2008 Taxable Value excluding Principal Residence, Qualified Agricutlural, Qualified Forest, Industrial Personal and Commercial Personal Properties if a millage is levied against them. Not applicable

You must complete this form for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2008 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2007 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2008 Current Year "Headlee" Millage Reduction Fraction	(7) 2008 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Charter	Oper.	NA	5.0000	4.3094	1.0000	4.3094	1.0000	4.3094	-0-	4.3094	NA
Voted	Fire Eqpt	11/5/02	0.5000	0.4846	1.0000	0.4846	1.0000	0.4846	-0-	0.4846	12/30/08
Voted	Bldg Bnd	4/25/95	Unlmtd	NA	NA	NA	NA	0.5515	-0-	0.5515	NA

Prepared by	Telephone Number	Title of Preparer	Date

CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with thestate constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

	Signature	Print Name	Date
☐ Clerk ☐ Secretary			
☐ Chairperson ☐ President			

** Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.*

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2008 for instructions on completing this section.

Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	

** **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Instructions For Completing
Form 614 (L-4029), *2008 Tax Rate Request*
Millage Request Report To County Board Of Commissioners

These instructions are provided under MCL Sections 211.24e (truth in taxation), 211.34 (truth in county equalization and truth in assessing), 211.34d (Headlee), and 211.36 and 211.37 (apportionment).

Column 1: Source. Enter the source of each millage. For example, allocated millage, separate millage limitations voted, charter, approved extra-voted millage, public act number, etc. Do not include taxes levied on the Industrial Facilities Tax Roll.

Column 2: Purpose of millage. Examples are: operating, debt service, special assessments, school enhancement millage, sinking fund millage, etc. A local school district must separately list operating millages by whether they are levied against ALL PROPERTIES in the school district or against the NON-HOME group of properties. (See State Tax Commission Bulletin No. 2 of 2008 for more explanation.) A local school district may use the following abbreviations when completing Column 2: “Operating ALL” and “Operating NON-HOME”. “Operating ALL” is short for “Operating millage to be levied on ALL PROPERTIES in the local school district” such as Supplemental (Hold Harmless) Millages and Building and Site Sinking Fund Millages. “Operating NON-HOME” is short for “Operating millage to be levied on ALL PROPERTIES <u>EXCLUDING</u> PRINCIPAL RESIDENCE, QUALIFIED AGRICULTURAL, QUALIFIED FOREST AND INDUSTRIAL PERSONAL PROPERTIES in the local school district” such as the 18 mills in a district which does not levy a Supplemental (Hold Harmless) Millage.

Column 3: Date of Election. Enter the month and year of the election for each millage authorized by direct voter approval.

Column 4: Millage Authorized. List the allocated rate, charter aggregate rate, extra-voted authorized before 1979, each separate rate authorized by voters after 1978, debt service rate, etc. (This rate is the rate before any reductions.)

Column 5: 2007 Millage Rate Permanently Reduced by MCL 211.34d ("Headlee") Rollback. Starting with taxes levied in 1994, the "Headlee" rollback permanently reduces the maximum rate or rates authorized by law or charter. The **<u>2007</u>** permanently reduced rate can be found in column 7 of the **<u>2007</u>** Form L-4029. For operating millage approved by the voters after April 30, 2007, enter the millage approved by the voters. For debt service or special assessments not subject to a millage reduction fraction, enter "NA" signifying "not applicable".

Column 6: Current Year Millage Reduction Fraction. List the millage reduction fraction certified by the county treasurer for the current year as calculated on *2008 Millage Reduction Fraction Calculations Worksheet,* Form L-4034. The millage reduction fraction shall be rounded to four (4) decimal places. The current year millage reduction fraction shall not exceed 1.0000 for 2008 and future years. This prevents any increase or "roll up" of millage rates. Use 1.0000 for new millage approved by the voters after April 30, 2008. For debt service or special assessments not subject to a millage reduction fraction, enter 1.0000.

Column 7: 2008 Millage Rate Permanently Reduced by MCL 211.34d ("Headlee") Rollback. The number in column 7 is found by multiplying column 5 by column 6 on this 2008 Form L-4029. This rate must be rounded DOWN to 4 decimal places. (See STC Bulletin No. 11 of 1999.) For debt service or special assessments not subject to a millage reduction fraction, enter "NA" signifying "not applicable".

Column 8: Section 211.34 Millage Rollback Fraction (Truth in Assessing or Truth in Equalization). List the millage rollback fraction for 2008 for each millage which is an operating rate. Round this millage rollback fraction to 4 decimal places. Use 1.0000 for school districts, for special assessments and for bonded debt retirement levies. For counties, villages and authorities, enter the Truth in Equalization Rollback Fraction calulated on STC Form L-4034 as TOTAL TAXABLE VALUE BASED ON CEV FOR ALL CLASSES/TOTAL TAXABLE VALUE BASED ON SEV FOR ALL CLASSES. Use 1.0000 for an authority located in more than one county. For further information, see State Tax Commission Bulletin No. 2 of 2008. For townships and cities, enter the Truth in Assessing Rollback Fraction calculated on STC Form L-4034 as TOTAL TAXABLE VALUE BASED ON ASSESSED VALUE FOR ALL CLASSES/TOTAL TAXABLE VALUE BASED ON SEV FOR ALL CLASSES. The Section 211.34 Millage Rollback Fraction shall not exceed 1.0000.

Column 9: Maximum Allowable Millage Levy. Multiply column 7 (2008 Millage Rate Permanently Reduced by MCL 211.34d) by column 8 (Section 211.34 millage rollback fraction). Round the rate DOWN to 4 decimal places. (See STC Bulletin No. 11 of 1999.) For debt service or special assessments not subject to a millage reduction fraction, enter millage from Column 4.

Column 10/Column 11: Millage Requested to be Levied. Enter the tax rate approved by the unit of local government provided that the rate does not exceed the maximum allowable millage levy (column 9). A millage rate that exceeds the base tax rate (Truth in Taxation) cannot be requested unless the requirements of MCL 211.24e have been met. For further information, see State Tax Commission Bulletin No. 2 of 2008. A LOCAL School District which levies a Supplemental (Hold Harmless) Millage shall not levy a Supplemental Millage in excess of that allowed by MCL 380.1211(3). Please see the memo to assessors dated October 26, 2004 regarding the change in the collection date of certain county taxes.

Column 12: Expiration Date of Millage. Enter the month and year on which the millage will expire.