A property tax rate is the rate applied to the taxable assessed value of real property (real estate and inherent rights of ownership) to compute the taxes due on an individual property. An individual property may have several different tax rates depending on the number of taxing jurisdictions it falls within: county, town, village, school and special district (fire district).

A property tax rate is a function of two variables: the tax levy or the amount of property taxes that must be collected in a given year and the taxable assessed value of the taxing jurisdiction. The formula to compute a tax rate is:

Tax Levy / Taxable Assessed Value = Tax Rate

Tax rates are often expressed as a mill rate or rate per thousand dollars of assessed value. The formula above expressed as a mill rate is:

(Tax Levy / Taxable Assessed Value)*1000 = Tax Rate (Mill Rate)

So, when the tax levy or the total taxable assessed value of a district changes; the tax rate will usually change. Often, the two variables are both changing and the change in the tax rate depends on the relative magnitude of the change in the input variables: tax levy and taxable assessed value (or tax base).

As an example, the following table shows the change between the School District's 2009-2010 and 2010-2011 tax levy and tax rate:

	2009-10 (Sept 2009)	2010-11 (Sept 2010)	% Change
Tax Levy	$7,980,721	$9,059,478	+13.5%
Taxable Assessed Value	293,818,649	296,340,142	+0.86%
Tax Rate	27.162065	30.571214	+12.6%

2010-11 Tax Rate Computation
$9,059,478 / 296,340,142 = .030571214 or expressed as a mill rate 30.571214

2010-11 Percentage Change in Tax Rates
(30.571214 - 27.162065) / 27.162065 = 12.55%

The increase in the taxable assessed value of just less than 1% pulled the tax rate downward while the significantly larger increase in the tax levy pushed the tax rate up. If there was no change in the taxable assessed value, the percentage change in the tax levy and tax rate would be equal.

The simulation below shows the tax rate and percentage change if there had been no change to the taxable assessed value.

Simulated - 2010-11 Tax Rate Computation
$9,059,478 / 293,818,649 = .030833570 or expressed as a mill rate 30.833570

Simulated - 2010-11 Percentage Change in Tax Rates
(30.833570 - 27.162065) / 27.162065 = 13.5%

For additional information go to: http://www.orps.state.ny.us/pamphlet/taxbrgts.htm