

STANDARD CALCULATION OF PROPERTY TAXES

The standard Georgia rule for taxation of property (O.C.G.A. § 48-5-7(a)) provides that taxable tangible property is to be valued at its fair market value and assessed 40% of its fair market value. It also is to be taxed on a levy made by each tax jurisdiction according to 40% of the property's fair market value.

As an example, if Greenacre is determined to have a fair market value for tax purposes of \$100,000.00, the assessed value will be \$40,000.00, and any homestead or other exemptions will be deducted. This may be considered as the adjusted assessed value. For an example, let us assume that there are no exemptions, so \$40,000.00 is the adjusted assessed value. Each tax jurisdiction that has the authority to tax Greenacre will apply its millage rate to the \$40,000.00. Millage rates are expressed in terms of dollars of taxes per \$1,000.00 of assessed value. Thus, a millage rate of \$25.00 would mean \$25.00 of taxes for each \$1,000.00 of assessed value. If we assume that the total millage rates for the taxing jurisdictions that can tax Greenacre are \$25.00 per thousand, the taxes on Greenacre would be \$1,000.00, that is $\$100,000.00 \times 40\% = \$40,000.00$ divided by 1,000 = 40 millage units $\times \$25.00 = \$1,000.00$. Of course, as previously indicated, this example assumes no exemptions, etc. in determining the final tax bill.