

First Time Homeowners outline (10 minute Class)

- I. How taxes are calculated
 - a. Taxing entities budgets
 - b. Assessed value
 - c. Millrate X assessed value
- II. The Bill
 - a. Always read BOTH sides
 - b. Assessed value vs Fair market value
 - i. Different than appraised value for a mortgage
 - ii. Done to make sure you are paying your correct proportionate share even if your municipality hasn't reassessed for a while
 - c. Percent change from last year
 - d. Credits
 - i. School tax credit – Every property
 - ii. First Dollar Credit – Every property with an improvement
 - iii. Lottery Credit
 - 1. Applies to ONLY primary residence
 - 2. Check tax bill every year to make sure it is on there if you qualify
 - 3. Applies if it was primary residence as of January 1
 - 4. Must send in delete form within 30 days of a property no longer being eligible for the credit
 - 5. Late claims allowed only until October 1 of the year bill was due
 - e. Special assessments
 - i. Always added to first installment and due by January 31st
 - ii. Can be for a variety of things like unpaid water bills, garbage collection, cutting lawn/weeds or shoveling snow.
 - f. Referenda
 - i. Amount is already included in bill total
 - ii. Shows how much was allowed to be added to the levy cap because of referenda
 - g. Installments & Due Dates
 - i. Can be two or more depending on municipality
 - ii. Not necessarily equal installments
 - iii. Amounts and due dates are VERY important
 - h. What happens if you are late or miss installment
- III. Don't ignore mailings
 - a. Assessment notices
 - b. Tax bills
 - c. Delinquent notices
- IV. If you escrow taxes
 - a. Get bill mailed to you not lender
 - b. Always check to make sure the lender paid the bill
- V. Questions