



Department of Property Records and Taxpayer Services

How To Calculate A Property Tax

This document gives instructions for calculating a property tax for the following property classifications:

- Residential Homestead
- Residential Non-Homestead (single unit)
- Residential Non-Homestead (2-3 units and vacant land) and Apartments
- Commercial/Industrial

An example of the calculation for each classification is shown, based on the rates in effect for taxes payable in 2009. Tax rates vary depending on the City/Town, School District, and Watershed District that the property is located in. The examples assume the property is located in the City of Woodbury, SD 833 South Washington, in the South Washington Watershed District. If you would like to calculate a property tax for a different area, you will need to open the Tax Rate document in order to look up the rates that apply.

How to Calculate a Property Tax Taxes Payable in 2009

Residential Homestead

Instructions:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.	
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value by the statutory Class Rates for Residential Homestead property: A. Multiply the first 500,000 of Taxable Market Value x 1.00% B. Multiply the remainder of the Taxable Market Value x 1.25% C. A + B = Total Tax Capacity
Step 3	Determine the Tax Capacity Rate and Market Value Referenda Rate for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.	
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate
Step 5	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate
Step 6	Calculate the Market Value Homestead Credit	A. Multiply the first 76,000 of Taxable Market Value x 0.40% B. Multiply the remaining Taxable Market Value up to 414,000 x 0.09% C. A - B = Total Credit
Step 7	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax - Market Value Homestead Credit = Total Tax

Example of Calculation:

250,000
250,000 x 1.00% = 2,500 0 x 1.25% = 0 2,500 + 0 = 2,500
Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 90.221% Market Value Rate = 0.21481%
2,500 x 90.221% = \$2,255.53
250,000 x 0.21481% = \$537.03
76,000 x 0.40% = \$304.00 174,000 x 0.09% = \$156.60 \$304.00 - \$156.60 = \$147.40
\$2,255.53 + \$537.03 - \$147.40 = \$2,645.16

How to Calculate a Property Tax Taxes Payable in 2009

Residential Non-Homestead (Single Unit)

Instructions:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.	
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value by the statutory Class Rates for Residential Non-Homestead property: A. Multiply the first 500,000 of Taxable Market Value x 1.00% B. Multiply the remainder of the Taxable Market Value x 1.25% C. A + B = Total Tax Capacity
Step 3	Determine the Tax Capacity Rate and Market Value Referenda Rate for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.	
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate
Step 5	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate
Step 6	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax = Total Tax

Example of Calculation:

250,000
250,000 x 1.00% = 2,500 0 x 1.25% = 0 2,500 + 0 = 2,500
Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 90.221% Market Value Rate = 0.21481%
2,500 x 90.221% = \$2,255.53
250,000 x 0.21481% = \$537.03
\$2,255.53 + \$537.03 = \$2,792.56

How to Calculate a Property Tax Taxes Payable in 2009

Residential Non-Homestead (2-3 Units & Vacant Land) and Apartments

Instructions:

Step 1	Determine the Taxable Market Value that the Assessor has assigned to the property.	
Step 2	Calculate the Tax Capacity	Multiply the Taxable Market Value by the statutory Class Rate for Residential Non-Homestead & Apartment property: Multiply the Taxable Market Value x 1.25%
Step 3	Determine the Tax Capacity Rate and Market Value Referenda Rate for the property based on the taxing districts in which it is located. There are approximately 150 different combinations in Washington County based on the unique combination of city/town, school district, and watershed district.	
Step 4	Calculate the Tax Capacity Tax	Multiply the Tax Capacity of the property by the Tax Capacity Rate
Step 5	Calculate the Market Value Tax	Multiply the Taxable Market Value of the property by the Market Value Referenda Rate
Step 6	Calculate the Total Tax before Special Assessments	Tax Capacity Tax + Market Value Tax = Total Tax

Example of Calculation:

250,000
250,000 x 1.25% = 3,125
Assume Property Located in Woodbury/SD 833/SWWS Tax Capacity Rate = 90.221% Market Value Rate = 0.21481%
3,125 x 90.221% = \$2,819.41
250,000 x 0.21481% = \$537.03
\$2,819.41 + \$537.03 = \$3,356.44

