Equalized Values and Your Taxes

The Wisconsin Department of Revenue (DOR) assigns property values to local governments. These valuations are determined by sales reported in the Town the previous year. **Properties are valued as of January 1st of the year** and the taxes are levied in December. We cannot consider sales after January 1st for the current tax year.

The property value assessment is a means for the state to deliver "equalized" tax levies. It does not matter to the tax levy if the assessment goes up (or down) as the taxing jurisdiction receives the same amount of money, regardless.

The impression people have about the housing market in the United States does not apply to the housing market in Merrimac. This is because this is a secondary housing market – mostly second homes. Because there are a lot of second homes, the owners typically are retired or these homes are not subject to ARM mortgage rates similar to first time home buyers. There have only been 3 foreclosures since 2007.

In 2009, the DOR reported a growth rate of .13% in the township. There were 11 sales and those sales came in at assessed value. In 2010, the growth rate declined 2.5% based on 10 sales. Until the "housing bust", the town averaged 70-80 sales a year. The bottom line is that there are not as many buyers, but those buyers are at, near, or even paying over the assessed value when they purchase a home here.

Another factor for 2010 is the loss of taxable lands at Riverland Conservancy. These lands were purchased by Alliant Energy and converted to a 501(c)3 tax exempt organization. During this year, Riverland converted over $1 million in taxable land into tax-exempt land. For this tax year, the township is looking at an automatic $1.00 increase in the mill rate - assuming no one raises their tax levy (town, county, school district, etc.)

The town will not do a revaluation unless the entire municipality falls 10% above or below the DOR estimates. The town derives the same amount of tax revenue regardless of the town's assessed value. A reval costs a minimum of $45,000 or 22% of the town's tax levy.

Resident tax payers need to pay attention to the tax levy assessed by various taxing districts. This drives how much you pay in taxes. The assessment is only used to "equalize" how those taxes are paid. The debate about fairness and equity is for another day.

Here is an example of the tax levy's impact on tax bills versus the equalized values of the town (this is the 2008 tax bill):

The property **values** in the Sauk Prairie School District (SPSD) area **increased** 2.6%. The **taxes levied increased** 6% while the **mill rate increased** 3.4% to $13.17. **This also resulted in higher tax bills.**

A $100,000 home in this district paid $1,237 in taxes in 2007. The same property in 2008 paid $1,317 in taxes.

In the Baraboo School District (BSD) property **values increased** 6.5%. The **taxes levied increased** 6.46% but the **mill rate decreased** -.4% to $12.78. **This resulted in lower tax bills.**

A $100,000 home in the BSD paid $1,283 in taxes in 2007. The same property in 2008 paid $1,278 in taxes.

In summary, regardless of the taxes levied - the revenue needed remains the same. Higher values do not necessarily lead to higher taxes. What it does effect is how it is collected - or "equalized".

****Ultimately, your tax bill is made up of tax levies from 5 government entities and the Town does not control the levies of the other 4 districts, so this illustration does not assure a property tax increase (or decrease) is not inevitable.****