

ASSESSOR'S OFFICE: FREQUENTLY ASKED QUESTIONS 2022 ASSESSMENT YEAR

1. What is Assessed Value?

Assessed Value is a property value estimated by the assessor as of Tax Day. For 2022, Tax Day is December 31, 2021. That property value is subject to appeal at the March Board of Review.

2. What is State Equalized Value?

After all appeals are heard, the March Board of Review confirms the assessment roll. That roll is then subject to review by the county and state. Following those reviews State Equalized Value (SEV) is set. SEV is then considered to be 50% of Market Value or True Cash Value as determined on Tax Day.

3. What is the formula for Capped Value?

The Capped Value calculation is used to determine Taxable Value. The 2022 formula is: (Prior years Taxable Value minus losses to the property multiplied by the rate of inflation plus additions to the property = 2022 Capped Value. The 2022 Inflation Rate Multiplier (IRM) is 1.033. Losses are physical losses to the property. Additions are physical additions to the property.

4. What is Taxable Value?

Taxable Value (TV) is the lesser of Assessed Value and Capped Value. In the year following a transfer of ownership the Taxable Value will be equal to the Assessed Value. In Michigan, taxes are based on Taxable Value, not State Equalized Value. Taxable Value can never be higher than the Assessed Value.

5. Why isn't my new assessment 50% of my purchase price?

The simple answer is that it is against the law. MCL 211.27 states that the purchase price is no longer the presumptive True Cash Value of a property. Market sale transactions for real property are used by Michigan Assessors to compare assessed (AV) with the actual sale prices (market value) for those properties. Market value can be defined as the most probable price, as of a specific date, where both buyer and seller are knowledgeable, and neither is under duress.

6. What is the time considered in the 2022 sales study?

The State Tax Commission requires counties to perform preliminary equalization using a 12 month or a 24-month sales study for each community. The study will be used that favors the taxpayer. Washtenaw County Equalization has determined that for 2022, a 24-month study was utilized. That period is from April 1, 2019, to March 31, 2021. The 24-month sales study helps the taxpayer because it provides a larger range of data.

7. When can I appeal my assessment?

By law, the only time you may appeal your assessment is at the **2022 March Board of Review**. Dates and times for appointments are printed on the Notice of Assessment. Petitions will be available on-line or at the Assessing Department. Letter of Appeals can be submitted by indicated deadline on your notice.

8. What happens if I'm not happy with the decision of the March Board of Review?

State law provides the next level of appeal at the Michigan Tax Tribunal. Residential Property must file an appeal with the March Board of Review first. A Petition of appeal can be obtained on the Michigan Tax Tribunal website: michigan.gov/taxtrib.

Commercial and Industrial appeals are no longer required to file with the Board of Review first and can file directly with the Michigan Tax Tribunal.

9. Is there any way to apply for tax relief due to hardship?

You may file a Poverty Application. This is based on your income using the Federal Poverty Income Guidelines. You must obtain the application from the Assessor's Office or on the City's website, www.cityofypsilanti.com. Applications are accepted at the March, July, or December Boards of Review.

10. Do you have all your information online?

Almost all the information in the Assessor's Office is public record. You may look up information by name, address, or parcel number. Please visit www.cityofypsilanti.com.

11. Why is my neighbor paying fewer taxes than me?

On March 15, 1994, Michigan voters approved the constitutional amendments known as Proposal "A". Prior to Proposal "A" property tax calculations were based on State Equalized Value (SEV). Proposal "A" established "Taxable Value" as the basis for the calculation of property taxes. Increases in Taxable Value (TV) are limited to the percent of change in the rate of inflation or 5%, whichever is less, if there were no losses or additions to the property. The limit on Taxable Value does not apply to a property in the year following a transfer of ownership (sale).

Suppose your neighbor purchased their home in 2021, and their 2021 and their Taxable Value was 35,000. Their 2021 tax bills will be calculated based on the prior owner's taxable value of 35,000 for 2021 only.

The year following the transfer the property becomes uncapped. Based on sales of homes in your neighborhood your neighbors new State Equalized Value for 2022 increases to 60,000. Because of Proposal "A" your neighbor's Taxable Value uncapped for tax year 2022 and their Taxable Value will be the same as his State Equalized Value for 2022.

In other words, since Proposal "A" passed, you can no longer compare property taxes with your neighbors. You can compare State Equalized Value but remember to compare apples to apples. Items to compare would be square footage of the home, how many baths, fireplace, garage, decks, lot size, etc.

12. How are property taxes calculated?

Property Taxes = Taxable Value/1,000 x the current millage rates.