

2) The Portioned Value of the Property.

Before the calculation of property tax, the assessed value of the property is reduced to a **portion** of its assessed value. Currently in the city of Winnipeg, they 'portion' residential properties to 45% of the assessed value. This **portioned value** is the amount used in the actual tax calculation. Portioned value is also known as the **taxable value**. They do this to encourage or discourage certain types of property growth within the municipality.

Example 2: Calculating Portioned Value

John and Sheila purchase a home in St. James assessed at \$380 000. The portion percentage for this type of property is 45%. Calculate the portioned value of this home.

$$\begin{aligned} \text{Portion Assessed Value} &= \text{Assessed Value} \times \text{portion assessed} \\ &= \$380\,000 \times 45\% \\ &= 380\,000 \times \frac{45}{100} \\ &= \$171\,000 \end{aligned}$$

3) Calculating the Municipal Property Tax Owning

It costs money to provide municipal services and much of this money is collected through property taxes. The property tax rate in Winnipeg is expressed as a **mill rate**. (percentage rates are *per 100*, while mill rates are *per 1000*.)

Every year, the municipality sends each property owner a tax bill. The amount of tax owing is calculated using the formula:

$$\text{Property Tax} = \frac{\text{Tax Rate (in mills)}}{1000} \times \text{Portioned assessed value of property}$$

Example 3: Calculating Municipal Property Tax

Robert lives in a municipality with a tax rate of $\frac{17.34}{1000}$ mills. His property has a portioned assessed value of \$170 000. Calculate Robert's municipality property tax for the year.

$$\frac{17.34}{1000} \times \$170\,000 = \$2\,947.80$$

Example 4: Calculating Portioned Assessment and Municipal Property Tax

Kayla owns a property in the same municipality (**same mill rate**) with an assessed value of \$360 000. The portion percentage for this property is 45%. Calculate Kayla's municipal property tax for the year.

$$\begin{aligned} \text{Portion assessed value} &= \text{Assessed value} \times 45\% \\ &= 360\,000 \times 0.45 = \$162\,000 \end{aligned}$$

$$\begin{aligned} \text{Municipal Property Tax} &= \frac{17.34}{1000} \times 162\,000 \\ &= \$2\,809.08 \end{aligned}$$