

Example 1

Jim's property (land and house) has an assessed value of \$215 500 and the portion percentage for his type of property is 45%. His property has 50 ft. of frontage.

- Calculate the portioned value of Jim's property.
- Calculate Jim's municipal property tax due if the municipal mill rate is 12.15 mills.
- Calculate Jim's education tax due if the education tax rate is 14.76 mills.
- There is a local improvement levy of \$8.00 per foot for Road Oiling. Calculate Jim's local improvement levy.
- Calculate the total property tax due if the provincial tax credit is \$700.

$$\begin{aligned}
 \text{a) Portioned value of property} &= \text{Assessed value} \times \text{portion assessed} \\
 &= 215000 \times 0.45 \\
 &= \underline{\underline{\$96975}}
 \end{aligned}$$

$$\begin{aligned}
 \text{b) Municipal tax} &= \frac{\text{Tax Rate (mills)}}{1000} \times \text{Portioned Assessed value of property} \\
 &= \frac{12.15 \text{ mills}}{1000} \times 96975 \\
 &= \underline{\underline{\$1178.25}}
 \end{aligned}$$

$$\begin{aligned}
 \text{c) Education tax} &= \frac{\text{Tax rate}}{1000} \times \text{Portioned Assessed value of property} \\
 &= \frac{14.76}{1000} \times 96975 \\
 &= \underline{\underline{\$1431.35}}
 \end{aligned}$$

$$\begin{aligned}
 \text{d) Local Improvement Levy} &= \text{Frontage} \times \text{Cost per frontage foot per year} \\
 &= 50 \text{ ft} \times 8.00 \\
 &= \underline{\underline{\$400}}
 \end{aligned}$$

$$\begin{aligned}
 \text{e) Total Property Tax due} &= \text{Municipal tax} + \text{Education Tax} + \text{local improvement} - \text{Provincial Credit} \\
 &= \$1178.25 + 1431.35 + 400 - 700 \\
 &= \underline{\underline{\$2309.60}}
 \end{aligned}$$