



**CITY OF FOREST PARK
PROPERTY TAXES**

GENERAL INFORMATION

- **Q: From where does the City obtain revenues?**
- A: From local, state and federal taxes, and licenses, in addition to payments for citations and municipal services.

- **Q: How is the revenue, obtained by the City, used?**
- A: It is used to pay for salaries, operating supplies, other operating costs such as utilities and insurance, and capital purchases such as buildings, vehicles, and equipment such as specified in the City budget.

TAX TERMINOLOGY

- ***Assessed Valuation:*** Value placed on property for purposes of taxation. The assessed value of real and personal property reflects 40% of the fair market value.
- **Fair Market Value:** The price that property would probably sell for if available on the open market. FMV is based on a number of factors, including size, features and condition of the property, and the local housing market.
- ***Millage Rate:*** The ad valorem tax rate expressed in the amount levied per thousand dollars of taxable assessed value of property. One mill is equal to one dollar per thousand.
- ***Property Tax:*** A tax imposed by applying a millage rate that has been established by the City to the net value of real or personal property.

MILLAGE RATE

- **Q: What is a millage rate?**
- A: When the City adopts its annual budget, it determines the tax rate that must be applied on property in order to generate the necessary revenue in addition to all other sources that are available. The tax rate for the City of Forest Park for FY 2015 was 14.743 mills, or \$14.74 per \$1,000 of taxable value. Taxable value is net of any homestead exemption allowed. The Clayton County Tax Assessor establishes the assessed value of all property in the City. The City only has control over the tax rate that is levied.
- **Q: What is the value of a mill of tax?**
- A: One mill is equal to \$1 for each \$1,000 of taxable property value. For 2015, total City property tax billed was \$6,724,000. This amount divided by the total millage rate of 14.743 resulted in each mill generating about \$450,000 of property tax.

EFFECT OF PROPOSED PROPERTY TAX MILLAGE INCREASE TO HOMEOWNERS

- The following represents the effect on City homeowners of a proposed increase of 2 mils (from 14.743 to 16.743) to the City property tax rate for 2016:
- Resident homeowner claiming full homestead exemption of \$150,000. No tax due with the current or proposed rates.
- Homeowner not claiming homestead exemption, or renting the property to a resident. Example— home with \$50,000 fair market value (FMV):

<u>FMV</u>	<u>Tax value (40%)</u>	<u>Tax-2015</u>	<u>Tax-2016</u>	<u>Increase</u>
50,000	20,000	294.86	334.86	40.00