

2014 BUSINESS PROPERTY TAX CREDIT CALCULATION

4 examples of credit calculation as follows:

1. One parcel unit valued over the "initial value"
2. One parcel unit valued under the "initial value"
3. Two parcel unit valued over the "initial value"
4. Two parcel unit valued under the "initial value"

The "initial value" for 2014 values was calculated at 183,896.14

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TERMINOLOGY

Initial/Maximum Value is the maximum 100% value per PARCEL UNIT that when utilized state-wide will spend 98% of the monies allocated for the credit. (2014 Initial/Maximum Value calculated at **\$183,896.14**)

Multiplier – this is the difference between the commercial rollback percentage (.900000) and the residential rollback percentage (.557335). (The 2014 multiplier is .900000 – .557335 = **.342665**)

EXAMPLES

1. A One Parcel Unit with 100% Value greater than \$183,896.14

Parcel Unit Value is \$443,400

Consolidated Tax rate for district is 32.46485/1,000 or .03246485

Since the 100% value of the **parcel unit** is **greater** than initial amount/maximum unit value of **\$183,896.14**, you will use the initial amount to calculate the credit. First multiply the initial amount times the multiplier.

$$\text{\$183,896.14} \times \text{.342665} = \text{\$63,014.77081}$$

Then multiply the product above times the consolidated tax rate for the district in which the parcel unit is located.

$$\text{\$63,014.77081} \times \text{.03246485} = \text{\$2,045.77 credit for the unit}$$

2. One Parcel Unit with 100% Value less than \$183,896.14

Parcel Unit Value is \$39,800

Consolidated Tax Rate for district is 37.57039/1,000 or .03757039

Since the value of the **parcel unit** is **less** than the initial amount of **\$183,896.14**, you will use the 100% value of the parcel unit to calculate the credit. First multiply the 100% value of the parcel unit times the multiplier.

$$\$39,800 \times .342665 = \$13,638.067$$

Then multiply this product times the consolidated tax rate for the district in which the parcel unit is located.

$$\$13,638.067 \times .03757039 = \$512.39 \text{ credit for the unit}$$

3. A Two Parcel Unit with total unit 100% value greater than \$183,896.14

Parcel #1

Value is \$508,800

Consolidated Tax rate for district is 27.69711/1,000 or .02769711

Parcel #2

Value is \$2,700

Consolidated Tax rate for district is 27.69711/1,000 or .02769711

Total Unit Value is \$511,500

Since the 100% value of the **parcel unit** is **greater** than initial amount/maximum unit value of **\$183,896.14**, you will use the initial amount to calculate the credit. First multiply the initial amount times the multiplier.

$$\$183,896.14 \times .342665 = \$63,014.770813$$

Then multiply the product above times the **AVERAGE** consolidated tax rate for the districts in which the parcel unit is located.

$$.02769711 + .02769711 = .05539422/2 = .02769711$$

$$\$63,014.770813 \times .02769711 = \$1,745.33 \text{ total credit for parcel unit}$$

To figure how much credit each parcel in the unit receives, you will need to calculate the percentage of total tax due for the unit that each parcel contributes. Then multiply this percentage times the credit for the entire unit.

Parcel #1

$$\$508,800 \times .90 = 457,920 \times .02769711 = \$12,683.060611 \text{ tax due for this parcel}$$

Parcel #2

$$\$2,700 \times .90 = 2,430 \times .02769711 = \$67.303977 \text{ tax due for this parcel}$$

Total gross tax for the unit would be \$12,750.364588

Parcel #1

$\$12,683.060611/\$12,750.364588 = .994721$ of the total tax for the unit
 $\$1,745.33 \times .994721 = \$1,736.12$ credit value for Parcel #1

Parcel #2

$\$67.303977/\$12,750.364588 = .005279$ of the total tax for the unit
 $\$1,745.33 \times .005279 = \9.21 credit value for Parcel #2

4. A Two Parcel Unit with total unit 100% value less than \$183,896.14

Parcel #1

Value is \$105,500

Consolidated Tax rate for district is 38.82716/1,000 or .03882716

Parcel #2

Value is \$4,600

Consolidated Tax rate for district is 28.72487/1,000 or .02872487

Total Unit Value is \$110,100

Since the 100% value of the **parcel unit** is **less** than initial/maximum unit value of \$183,896.14, you will use the 100% total unit value of \$110,100 to calculate the credit. First multiply the 100% total unit value times the multiplier.

$\$110,100 \times .342665 = \$37,727.4165$

Then multiply the product above times the AVERAGE consolidated tax rate for the districts in which the parcel unit is located.

$.03882716 + .02872487 = .067552/2 = 0.033776$

$\$37,727.4165 \times 0.033776 = \$1,274.28$ **total credit for parcel unit**

To figure how much credit each parcel in the unit receives, you will need to calculate the percentage each parcel is contributing to the total tax due for the unit. Then multiply this percentage times the credit for the entire unit to get the credit for each individual parcel in the unit.

Parcel #1

$\$105,500 \times .90 = \$94,950 \times .03882716 = \$3,686.638842$ tax due for this parcel

Parcel #2

$\$4,600 \times .90 = \$4,140 \times .02872487 = \118.920962 tax due for this parcel

Total gross tax for the unit would be \$3,805.559804

Parcel #1

$\$3,686.638842 / \$3,805.559804 = .968751$ of the total tax for the unit

$\$1,274.28 \times .968751 = \$1,234.46$ credit value for Parcel #1

Parcel #2

$\$118.920962 / \$3,805.559804 = .031249$ of the total tax for the unit

$\$1,274.28 \times .031249 = \39.82 credit value for Parcel #2