

Inputs for the exercise:

| Statewide Data | FY14 |
|--|-------------|
| Homestead base rate | \$0.94 |
| Base tax rate on household income | 1.80% |
| Average spending-adjusted (Income Sensitized) Tax Rate | 2.70% |
| Average State spending adjustment (Multiplier) | 1.50 |
| Average spending-adjusted property tax rate | \$1.41 |
| Average municipal property tax rate | \$0.50 |

Example 1:

Household Income = \$35,000

5% of Household income = \$1,750

| | Appraisal Percentage: | 100% | 80% | 70% |
|---|-----------------------|----------------|----------------|-----------|
| | House-site Value: | \$200,000 | \$160,000 | \$140,000 |
| | FY14a | FY14b | FY14c | |
| Homestead education tax | \$2,820 | \$2,256 | \$1,974 | |
| Income-sensitized education tax | \$945 | \$945 | \$945 | |
| Municipal tax | \$1,000 | \$800 | \$700 | |
| Income adjustment (HS Tax – Income-sensitivity tax) | \$1,875 | \$1,311 | \$1,029 | |
| Sum of municipal and income-sensitized taxes | \$1,945 | \$1,745 | \$1,645 | |
| Circuit breaker (Taxes – 5% HH Income) | \$195 | \$0 | \$0 | |
| Income adjustment including Circuit breaker | \$2,070 | \$1,311 | \$1,029 | |

Example 2:

Household Income = \$45,000

5% of Household income = \$2,250

| | Appraisal Percentage: | 100% | 80% | 70% |
|---|-----------------------|----------------|----------------|-----------|
| | House-site Value: | \$200,000 | \$160,000 | \$140,000 |
| | FY14a | FY14b | FY14c | |
| Homestead education tax | \$2,820 | \$2,256 | \$1,974 | |
| Income-sensitized education tax | \$1,215 | \$1,215 | \$1,215 | |
| Municipal tax | \$1,000 | \$800 | \$700 | |
| Income adjustment (HS Tax – Income-sensitivity tax) | \$1,605 | \$1,041 | \$759 | |
| Sum of municipal and income-sensitized taxes | \$2,215 | \$2,015 | \$1,915 | |
| Circuit breaker (Taxes – 5% HH Income) | \$0 | \$0 | \$0 | |
| Income adjustment including Circuit breaker | \$1,605 | \$1,041 | \$759 | |

Example 3:

Household Income = \$60,000

Not eligible for circuit breaker

| | 100% | 80% | 70% |
|---|----------------|--------------|--------------|
| Appraisal percentage: | 100% | 80% | 70% |
| House-site value: | \$200,000 | \$160,000 | \$140,000 |
| | FY14a | FY14b | FY14c |
| Homestead education tax | \$2,820 | \$2,256 | \$1,974 |
| Income-sensitized education tax | \$1,620 | \$1,620 | \$1,620 |
| Municipal tax | \$1,000 | \$800 | \$700 |
| Income adjustment (HS Tax – Income-sensitivity tax) | \$1,200 | \$636 | \$354 |
| Sum of municipal and income-sensitized taxes | \$2,620 | \$2,420 | \$2,320 |
| Circuit breaker (Taxes – 5% HH Income) | \$0 | \$0 | \$0 |
| Income adjustment including Circuit breaker | \$1,200 | \$636 | \$354 |