

**Current-Law Application of the Property Tax Adjustment  
Hypothetical Homeowner**

Per-pupil education spending	\$13,900
Base education amount	<u>\$9,285</u>
Multiplier*	1.5

**FY2015**

	<u>Tax Based on Homestead Value</u>	<u>Tax Based on Household Income</u>
Base homestead tax rates	\$0.98	1.8%
Multiplier*	<u>1.5</u>	<u>1.5</u>
Homestead tax rates adjusted by multiplier	\$1.47	2.7%
Housesite value or household income	\$200,000	\$75,000
Homestead tax (taxpayer owes lower amount)	\$2,934	\$2,021
Tax based on homestead value	\$2,934	
Tax based on household income	<u>\$2,021</u>	
<b>Property tax adjustment**</b>	<b>(\$913)</b> →	<i>Appears on FY2016 tax bill</i>

\*\* Under current law, this property tax adjustment is applied to the homeowner's education property tax bill in FY2016 rather than FY2015. This practice makes it very difficult for taxpayers to understand the relationship between their school budget and their education tax bill and creates hardships for some taxpayers.