

Assessed Values

- The market value of all properties in the city is established each year by the City Assessor. For more information, please see the resource provided by the Wisconsin Department of Revenue here: [2019 Guide for Property Owners](#).
- Residential property assessments are determined primarily by comparable sales in the Assessment Area (a complete list of sales by area for 2019 is available here: <https://www.cityofmadison.com/assessor/property/salesbyarea.cfm>), as well as improvements made to individual properties. Commercial property assessments are primarily determined by comparable sales or applying the income approach to value based on income generated by the business conducted at the property.
- Overall property values have grown 6.4% in 2019 over 2018 on the strength of a 6.3% increase in residential and 6.5% increase in commercial property values (commercial property includes apartments).
- The average home value is \$300,967, which is an increase of 5.7% over 2018, reflecting stronger housing sales. Changes in average single family residential value (excluding new subdivision areas) ranged from a low of a 1.5% decrease in the Westview Hills assessment area (southwest Madison) to a high of a 21.7% increase in the Near East assessment area (Capitol Square).

Changes in Assessed Values from 2018

Residential:	up 6.3%
Commercial:	up 6.5%
Agricultural:	up 5.3%
Average Value Home:	up 5.7%

Tax Rate and Property Taxes

The property tax on an individual property is determined by multiplying the tax rate (sometimes called the mill rate or millage) by the value of the property, offset by state property tax credits (e.g., school levy tax credit, first dollar tax credit, lottery credit).

The tax rate is determined by dividing the property tax levy for all the taxing jurisdictions in the city by the total taxable property value in the city. Taxing jurisdictions in the city include the City of Madison, Dane County, Madison College and those school districts with property tax base within the city limits (primarily Madison Metropolitan School District; other districts include portions of DeForest, McFarland, Middleton-Cross Plains, Monona Grove, Sun Prairie, Waunakee and Verona). The property tax levy is established by the governing bodies of each of the taxing jurisdictions – City Council, County Board, Madison College Board and School Boards – through their annual budget process. Please find a list of 2018 mill rates for Dane County here: http://scwmls.com/public/millrates/dane/dane_18.pdf. The specific school district impacts the tax rate as does the assessed to market value ratio. This ratio is determined by the City Assessor's oversight agency, the Wisconsin Department of Revenue.

The property tax levy is the difference between approved spending offset by charges and fees, state aid, and other local taxes (e.g., county sales taxes, local room taxes)

1. Mill Rate

Mill Rate = Total Property Tax Levy divided by Total Taxable Property Value

Example using 2019 Budget and 2018 Assessed Value

- Taxable Property = \$26.6 billion.
- Total Tax Levy = \$652.4 million
- State Tax Credits = \$54.7 million
- Net Tax Levy = \$597.7 million
- Tax Rate = Net Tax Levy divided by Taxable Property Value =
\$652.4 million/\$26.6 billion = 2.25197%

2. Property Taxes

Property Taxes = Mill Rate times Property Value

Property Value	Mill Rate	Property Taxes
\$100,000	2.25197%	\$ 2,252
\$150,000	2.25197%	\$ 3,378
\$200,000	2.25197%	\$ 4,504
\$250,000	2.25197%	\$ 5,630
\$300,000	2.25197%	\$ 6,756
\$350,000	2.25197%	\$ 7,882
\$400,000	2.25197%	\$ 9,008
\$450,000	2.25197%	\$10,134
\$500,000	2.25197%	\$11,260

Assessment Change may not be the same as the Property Tax Change

- As described above, property taxes are calculated based on the tax rate multiplied by the assessed value of the property.
- The tax rate is a function of the property tax levy divided by the total taxable property in the city.
- As such, the change in the assessed value of an individual property may not be the same as the change in property taxes for that property. It is not a direct one-to-one relationship.
- The table below shows this variation for the average value home over the past six years.
- Two comparisons from the table:

2015 Assessment Year (2016 budget) -- the assessed value of the average value home increased 3.5%, and real estate (property) taxes increased 3.4% on that average value home. That year the tax rate stayed roughly the same from the prior year.

2017 Assessment Year (2018 budget) -- the assessed value of the average value home increased 5.8%, and real estate (property) taxes increased 3.0% on that average value home. That year the tax rate decreased 2.3% from the prior year and offset a portion of the assessment increase.

Average Assessment and Tax Increases

The following illustrates the increase in assessment and taxes on an average residential single family property over the last several years. An increase of a certain percentage in the assessment does not necessarily mean a proportionate increase in the taxes.

	2013	2014	2015	2016	2017	2018	2019
Valuation	230,831	237,678	245,894	254,593	269,377	284,868	300,967
Assessment change over previous year	(0.1%)	3.0%	3.5%	3.5%	5.8%	5.8%	5.7%
Real estate taxes	5,742.36 ¹	5,758.06 ²	5,954.21 ³	6,103.06 ⁴	6,284.42 ⁵	6,415.14 ⁶	
Tax change over previous year	2.3%	0.3%	3.4%	2.5%	2.97%	2.08%	