## Calculation of Property Tax Estimate

## Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.
We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the Tennessee Code Annotated and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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Reference Number: CTAS-2115
To calculate the property tax, first determine what has been the percent applicable to the collections of property taxes for the last three years. Usually this rate will be 85 to 95 percent. Then follow the steps below.

Total property assessments
Divide by \$100*
Multiply by property tax rate
Equals 100 percent collections
Multiply by $\qquad$ percent of collections**
Net property taxes estimate NOTE:
*Property tax rate is a rate per $\$ 100$ of assessed value.
** Each county will have a variance factor, thus a different rate of collection; it is generally based on the last three years' average.

## Determining Yield of One-Cent Property Tax Rate.

Since many decisions must be made concerning the increase in the property tax rate, local governments use what a one-cent rate will yield in revenues. Use the following calculation to determine your local government's one-cent yield.

Total property assessments
Divide by \$100*
Multiply by one cent
Multiply by $\qquad$ percent of collections
What one cent yields from a one-cent rate*** \$

NOTE:
***In most counties, this will range from $\$ 5,000$ to $\$ 100,000$.

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