

MINNESOTA DEPARTMENT OF REVENUE BULLETIN
PROPERTY EQUALIZATION DIVISION

#2

AUGUST, 1980

The 1980 Legislature made numerous changes to the state's real estate classification law. These changes affect the method to be used in extending the homestead credit, the state school agricultural credit and the assessed values. Enclosed are several examples of these extensions.

The rules for the treatment of homesteads in various situations are as follows:

Non-Agricultural Homesteads

Full Homesteads

1. The first \$50,000 of the estimated market value is assessed at the lower percentages (i.e. \$25,000 x 16% and \$25,000 x 22%).
2. The homestead tax credit is based on the gross tax less any other credits*. Special assessments are not to be considered part of the gross tax.
3. The qualifying tax amount for the property tax refund is the gross tax less any other credits* other than the homestead credit on the dwelling and land, but no more than 10 acres of land.

Fractional Homesteads

1. A fractional amount of the first \$25,000 of the estimated market value is assessed at 16%. This fractional amount is determined by multiplying the owner-occupant's fractional ownership interest in the property by \$25,000. The balance of this \$25,000, if any, is assessed at the non-homestead rate or 28%.
2. If the total value of the property is more than \$25,000, a fractional amount of the second \$25,000 of estimated market value is assessed at 22%. This fractional amount is determined by again multiplying the owner-occupant's fractional ownership interest in the property by the second \$25,000. If there is any balance of the second \$25,000, it is assessed at 28%.
3. The homestead tax credit is based on the tax attributable to the homestead portion of the property less any other credits*. The maximum credit is the owner's fractional interest multiplied by the full credit (e.g. one-half homestead, $1/2 \times \$650 = \325).
4. The qualifying tax amount for the property tax refund is the gross tax less any other credits* other than the homestead credit on the dwelling and land, but no more than 10 acres of land.

NOTE: *OTHER CREDITS - SEE PAGE 3

5. Where a property is used for both homestead and commercial purposes, or when one of the units in an apartment building is homesteaded, and the value of the homestead unit is less than \$25,000, the difference between the value of the homestead unit and \$25,000 should be taken out of the commercial or non-homestead portion of the property. That is, even though the value of the homestead unit is less than \$25,000, at least \$25,000 in value will receive the benefits of the homestead classification.

Mid-Year Homestead

1. One-half of the total value is assessed at the homestead percentages (e.g. a vacant lot with a value of \$10,000 on January 2nd would have \$5,000 assessed at 16%, \$5,000 at 40%). The value to be assessed at the lower percentage is to be no more than 1/2 of the first \$25,000 of value and no more than 1/2 of the second \$25,000 of value. (i.e. $1/2 \times \$25,000 = \$12,500$ at 16% and $1/2 \times \$25,000 = \$12,500$ at 22%.)
2. The homestead tax credit is based on the gross tax less any other credits* attributable to the homestead portion of the property. The maximum credit is one-half of the full homestead tax credit (i.e. $1/2 \times \$650 = \325).
3. The qualifying tax amount for the property tax refund is the gross tax less any other credits* other than the homestead credit on the dwelling and land, but no more than 10 acres of land.

Agricultural Homesteads

Full Homestead

1. The first \$50,000 of value is assessed at the lower percentage (i.e. \$50,000 x 14%). All contiguous and non-contiguous land within two assessment districts owned by the taxpayer qualifies for the \$50,000, but the dwelling and land most contiguous, closest to or surrounding the dwelling should get the preferential treatment first.
2. The 17 mill state school agricultural credit applies to the dwelling and the 240 acres of land most contiguous surrounding or closest to the dwelling. Buildings located on the 240 acres also qualify for the 17 mill credit. Non-contiguous land owned by the taxpayer may be included in order to reach the maximum 240 acres but such non-contiguous land must be no farther than two townships or cities from the dwelling.
3. The homestead tax credit is applied to the gross tax less any other credits* on the dwelling and 240 acres most contiguous, surrounding or closest to the dwellings including buildings located on the 240 acres. Non-contiguous land owned by the taxpayer may be included in order to reach the maximum 240 acres but such non-contiguous land must be no farther than two townships or cities from the dwelling. (The value receiving the homestead credit is the same as that receiving the 17 mill credit.)
4. The qualifying tax amount for the property tax refund is the tax amount used in #3 above for determining the homestead credit.

NOTE: *OTHER CREDITS - SEE PAGE 3

Fractional Homesteads

1. A fractional amount of the first \$50,000 of value is assessed at the lower percentage. This amount is determined by multiplying the owner-occupant's fractional ownership interest in the property by the \$50,000 of value (e.g. one-half homestead, $1/2 \times \$50,000 = \$25,000$).
2. The 17 mill state school agricultural credit applies to the owner-occupant's fractional ownership interest in the property up to a maximum number of acres determined by multiplying the owner-occupant's fractional interest by 240 acres (e.g. 500 acre farm, one-half homestead, $1/2 \times 240 \text{ acres} = 120 \text{ acres}$ receive the 17 mill state school agricultural credit).
3. The homestead tax credit is limited to the gross tax less any other credits* on the owner-occupant's fractional interest in 240 acres (e.g. 500 acre farm one-half homestead; maximum homestead credit $1/2 \times \$650 = \325 ; maximum acreage $1/2 \times 240 \text{ acres} = 120 \text{ acres}$).
4. The qualifying tax amount for the property tax refund is the tax amount used in #3 above for determining the homestead credit.

Mid-Year Homestead

1. One-half of the total value is assessed at the homestead percentages. The value for a mid-year homestead is one-half the first \$50,000 of value of a full homestead (i.e. $1/2 \times \$50,000 = \$25,000$).
2. The 17 mill state school agricultural credit applies to one-half the total acreage but no more than 120 acres.
3. The homestead tax credit is limited to the gross tax less any other credits*. The maximum credit is \$325 ($\$650 \times 1/2$).
4. The qualifying tax amount for the property tax refund is the total gross tax or the gross tax on the 240 acres most contiguous, surrounding or most contiguous to the dwelling, if that tax is less than the total tax, less any other credits* other than the homestead credit on the first 240 acres.

Family Farm Corporations

The homestead tax credit and 17 mill state school agricultural credit are limited to 240 acres for the 1980 assessment of family farm corporation property.

Taconite Credit

The taconite homestead credit is computed on 240 acres for the 1980 assessment, taxes payable in 1981.

*OTHER CREDITS

- * Taconite Homestead Credit
- * State School Agricultural Credit
- * Wetlands Credit
- * Native Prairie Credit
- * Blind, Permanently and Totally Disabled and Certain Paraplegic Veterans Credit (3CC).

EXPLANATION OF EXAMPLES:

H.C.A.V. = Homestead Credit Assessed Value
E.M.V. = Estimated Market Value
A.V. = Assessed Value
Q.T.A.V. = Qualifying Tax Assessed Value

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1. An 8 plex has an E.M.V. of \$120,000 and is classified Non-Homestead Residential.

Class 3d $\$120,000 \times 38\% = \$45,600$ A.V.

2. An 8 plex has an E.M.V. of \$120,000 and one apartment is occupied by the owner on the assessment date and has an E.M.V. of \$15,000. The other apartments are rented out.

Class 3c $\$25,000 \times 16\% = \$4,000$

Class 3d $\$95,000 \times 38\% = \$36,100$

Total A.V. \$40,100

H.C.A.V. = \$40,100

Q.T.A.V. = \$40,100

3. A 7 plex has an E.M.V. of \$120,000 and the portion occupied by the owner on the assessment date has an E.M.V. of \$30,000. The other apartments are rented out.

Class 3c $\$25,000 \times 16\% = \$4,000$

Class 3c $\$5,000 \times 22\% = \$1,100$

Class 3d $\$90,000 \times 38\% = \$34,200$

Total A.V. \$39,300

H.C.A.V. = \$39,300

Q.T.A.V. = \$39,300

4. A 4 plex has an E.M.V. of \$60,000 and is classified Non-Homestead Residential.

Class 3d $\$60,000 \times 38\% = \$22,800$

5. A 4 plex has an E.M.V. of \$60,000 and one apartment is occupied by the owner on the assessment date and has an E.M.V. of \$15,000. The other apartments are rented out.

Class 3c	$\$25,000 \times 16\% = \$ 4,000$
Class 3d	$\$35,000 \times 38\% = \underline{\$13,300}$
	Total A.V. \$17,300

H.C.A.V. = \$17,300

Q.T.A.V. = \$17,300

6. A 4 plex has an E.M.V. of \$60,000 and one apartment is occupied by a blind owner on the assessment date and has an E.M.V. of \$15,000. The other apartments are rented out.

Class 3cc	$\$33,000 \times 5\% = \$ 1,650$
Class 3d	$\$27,000 \times 38\% = \underline{\$10,260}$
	Total A.V. \$11,910

H.C.A.V. = \$11,910

Q.T.A.V. = \$11,910

7. A 4 plex has an E.M.V. of \$60,000 and each owner has an undivided 1/2 interest in the property. One owner occupies on the assessment date one of the apartments which has an E.M.V. of \$15,000. The other apartments are rented out. This example can be used as a mid-year homestead as well.

Class 3c	
(1/2 Homestead)	$\$12,500 \times 16\% = \$ 2,000$ (Subject to H.C.)
Class 3d	$\$17,500 \times 38\% = \$ 6,650$ (Subject to H.C.)
Class 3d	$\$30,000 \times 38\% = \underline{\$11,400}$ (Non-Homestead)
	Total A.V. \$20,050

H.C.A.V. = \$ 8,650

Q.T.A.V. = \$20,050

8. A 3 plex has an E.M.V. of \$75,000 and is classified Non-Homestead Residential.

Class 3dd	$\$75,000 \times 28\% = \$21,000$
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9. A 3 plex has an E.M.V. of \$75,000 and one apartment is occupied by the owner on the assessment date and has an E.M.V. of \$25,000. The other apartments are rented out.

Class 3c	$\$25,000 \times 16\% = \$ 4,000$
Class 3dd	$\$50,000 \times 28\% = \underline{\$14,000}$
	Total A.V. \$18,000

H.C.A.V. = \$18,000
Q.T.A.V. = \$18,000

10. A 3 plex has an E.M.V. of \$48,000 and one apartment is occupied by the owner on the assessment date and has an E.M.V. of \$16,000. The other apartments are rented out.

Class 3c	$\$25,000 \times 16\% = \$ 4,000$
Class 3dd	$\$23,000 \times 28\% = \underline{\$ 6,440}$
	Total A.V. \$10,440

H.C.A.V. = \$10,440
Q.T.A.V. = \$10,440

11. A duplex has an E.M.V. of \$48,000 and is classified Non-Homestead Residential.

Class 3dd	$\$48,000 \times 28\% = \$13,440$ A.V.
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12. A duplex has an E.M.V. of \$48,000 and one apartment is occupied by the owner on the assessment date. The other apartment is rented out. Each apartment has an E.M.V. of \$24,000.

Class 3c	$\$25,000 \times 16\% = \$ 4,000$
Class 3c	$\$23,000 \times 22\% = \underline{\$ 5,060}$
	Total A.V. \$ 9,060

H.C.A.V. = \$9,060
Q.T.A.V. = \$9,060

13. A duplex has an E.M.V. of \$48,000 and each owner has an undivided 1/2 interest in the property. One of the owners occupies on the assessment date one apartment which has an E.M.V. of \$24,000. The other apartment is rented out.

Class 3c	
(1/2 Homestead)	$\$12,500 \times 16\% = \$ 2,000$ (Subject to H.C.)
Class 3c	$\$11,500 \times 22\% = \$ 2,530$ (Subject to H.C.)
Class 3dd	$\$24,000 \times 28\% = \underline{\$ 6,720}$ (Non-Homestead)
	Total A.V. \$11,250

H.C.A.V. = \$ 4,530
Q.T.A.V. = \$11,250

14. A single family dwelling has an E.M.V. of \$48,000 and is classified Non-Homestead Residential.

Class 3dd $\$48,000 \times 28\% = \$13,440$ A.V.

15. A single family dwelling has an E.M.V. of \$48,000 and is classified Non-Farm Homestead on the assessment date.

Class 3c $\$25,000 \times 16\% = \$ 4,000$
Class 3c $\$23,000 \times 22\% = \$ 5,060$
Total A.V. \$ 9,060

H.C.A.V. = \$9,060

Q.T.A.V. = \$9,060

16. A single family dwelling has an E.M.V. of \$48,000 and each owner has an undivided 1/2 interest in the property. One of the owners occupies the dwelling on the assessment date.

Class 3c $\$12,500 \times 16\% = \$ 2,000$ (Subject to H.C.)
Class 3c $\$11,500 \times 22\% = \$ 2,530$ (Subject to H.C.)
Class 3dd $\$24,000 \times 28\% = \$ 6,720$ (Non-Homestead)
Total A.V. \$11,250

H.C.A.V. = \$ 4,530

Q.T.A.V. = \$11,250

17. A property with a two story building has an E.M.V. of \$100,000. The first floor consists of a grocery store and the second floor contains two apartments of equal value. The owner occupies one of the apartments on the assessment date. The other apartment is rented out. The grocery store consists of 1/2 of the E.M.V.

Class 3c $\$25,000 \times 16\% = \$ 4,000$
Class 3c $\$25,000 \times 22\% = \$ 5,500$
Class 4 $\$50,000 \times 43\% = \$21,500$
Total A.V. \$31,000

H.C.A.V. = \$31,000

Q.T.A.V. = \$31,000

18. A property with a two story building has an E.M.V. of \$100,000. The first floor consists of a hardware store and the second floor contains four apartments of equal value. The owner occupies one of the apartments on the assessment date. The hardware store consists of 40% of the E.M.V.

Class 3c	\$25,000 x 16% = \$ 4,000
Class 3d	\$35,000 x 38% = \$13,300
Class 4	\$40,000 x 43% = <u>\$17,200</u>
	Total A.V. \$34,500

H.C.A.V. = \$34,500

Q.T.A.V. = \$34,500

19. A property with a two story building has an E.M.V. of \$100,000. The first floor consists of a hardware store and the second floor contains three apartments of equal value. The owner occupies one of the apartments on the assessment date. The hardware store consists of 40% of the E.M.V.

Class 3c	\$25,000 x 16% = \$ 4,000
Class 3dd	\$35,000 x 28% = \$ 9,800
Class 4	\$40,000 x 43% = <u>\$17,200</u>
	Total A.V. \$31,000

H.C.A.V. = \$31,000

Q.T.A.V. = \$31,000

20. A property with a two story building has an E.M.V. of \$100,000. Each owner has an undivided 1/2 interest in the property. The first floor consists of a hardware store and the second floor contains three apartments of equal value. One of the owners occupies one of the apartments on the assessment date. The hardware store consists of 40% of the E.M.V.

Class 3c	
(1/2 Homestead)	\$12,500 x 16% = \$ 2,000 (Subject to H.C.)
Class 3dd	\$ 7,500 x 28% = \$ 2,100 (Subject to H.C.)
Class 3dd	\$10,000 x 28% = \$ 2,800 (Subject to H.C.)
Class 4	\$20,000 x 43% = \$ 8,600 (Subject to H.C.)
Class 3dd	\$30,000 x 28% = \$ 8,400 (Non-Homestead)
Class 4	\$20,000 x 43% = <u>\$ 8,600</u> (Non-Homestead)
	Total A.V. \$32,500

H.C.A.V. = \$15,500

Q.T.A.V. = \$32,500

21. A 3 plex has an E.M.V. of \$75,000 and is classified Non-Homestead Residential on January 2. The owner occupied the property prior to June 1 and qualified for a mid-year Homestead

Class 3c	\$12,500 x 16% = \$ 2,000	(Subject to H.C.)
Class 3dd	\$25,000 x 28% = \$ 7,000	(Subject to H.C.)
Class 3dd	\$37,500 x 28% = \$10,500	(Non-Homestead)
	Total A.V.	\$19,500

H.C.A.V. = \$ 9,000

Q.T.A.V. = \$19,500

22. A 3 plex has an E.M.V. of \$75,000 and is occupied by one of the two people who own the property in joint tenancy. The value of the apartment occupied by the owner is \$25,000. The other two apartments are tenant occupied.

Class 3		
(1/2 Homestead)	\$12,500 x 16% = \$ 2,000	(Subject to H.C.)
Class 3dd	\$25,000 x 28% = \$ 7,000	(Subject to H.C.)
Class 3dd	\$37,500 x 28% = \$10,500	(Non-Homestead)
	Total A.V.	\$19,500

H.C.A.V. = \$ 9,000

Q.T.A.V. = \$19,500

23. A single family dwelling has an E.M.V. of \$48,000 and is classified Non-Homestead Residential on January 2 and qualified for mid-year Homestead prior to June 1.

Class 3c	\$12,500 x 16% = \$ 2,000	(Subject to H.C.)
Class 3c	\$11,500 x 22% = \$ 2,530	(Subject to H.C.)
Class 3dd	\$24,000 x 28% = \$ 6,720	(Non-Homestead)
	Total A.V.	\$11,250

H.C.A.V. = \$ 4,530

Q.T.A.V. = \$11,250

FULL HOMESTEAD

FACTS: 480 ACRE FARM, ONE OWNER, FULL HOMESTEAD

VALUE: BUILDINGS, \$40,000 - LAND, 480 X \$500 A/C = \$240,000

A	B	C
<div style="border: 1px solid black; padding: 10px; width: fit-content;"> 160 AC House \$ 40,000 <u>80,000</u> \$120,000 </div>	<div style="border: 1px solid black; padding: 10px; width: fit-content;"> 160 AC \$80,000 </div>	<div style="border: 1px solid black; padding: 10px; width: fit-content;"> 160 AC \$80,000 </div>

TOTAL ESTIMATED MARKET VALUE \$280,000

TOTAL ASSESSED VALUE \$ 50,700

Assessed Value Breakdown

Parcel A	Bldgs. Class 3b	\$40,000 x 14% = \$ 5,600
	Land Class 3b	\$10,000 x 14% = \$ 1,400
	Class 3b	\$70,000 x 19% = <u>\$13,300</u>
	Total	\$20,300
Parcel B	Bldgs.	0
	Land Class 3b	\$80,000 x 19% = \$15,200
Parcel C	Bldgs.	0
	Land Class 3b	\$80,000 x 19% = <u>\$15,200</u>
Total Assessed Value		\$50,700

VALUE AND ACREAGE SUBJECT TO 17 MILL STATE SCHOOL AGRICULTURAL CREDIT

Parcel A	160 Acres & Bldgs.	
	Assessed Value	\$20,300
Parcel B	80 Acres	
	Assessed Value	\$ 7,600
Parcel C	None	<u>-0-</u>
Total	Assessed Value Subject to 17 Mill Ag Credit	\$27,900
	Assessed Value Subject to 10 Mill Credit	\$22,800

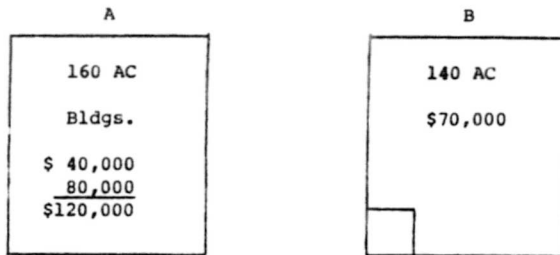
VALUE AND ACREAGE SUBJECT TO HOMESTEAD CREDIT

Parcel A	Bldgs. and 160 acres	
	Assessed Value	\$20,300
Parcel B	80 acres	
	Assessed Value	\$ 7,600
Parcel C	None	<u>-0-</u>
Total	Assessed Value Subject to Homestead Credit	\$27,900
	ASSESSED VALUE FOR QUALIFYING TAX AMOUNT	\$27,900

FRACTIONAL HOMESTEAD

FACTS: 300 ACRE FARM, TWO OWNERS WITH EACH HAVING UNDIVIDED ONE-HALF INTEREST, ONE OWNER OCCUPYING THE PROPERTY.

VALUE: BUILDINGS, \$40,000 - LAND, 300 x \$500/AC = \$150,000



TOTAL ESTIMATED MARKET VALUE \$190,000

TOTAL ASSESSED VALUE \$ 34,850

Assessed Value Breakdown

Parcel A

Class 3b	\$25,000 x 14% = \$ 3,500)	= \$10,150 Homestead Credit and Agricultural Credit Portion (80 acres and one-half the bldgs.)
Class 3b	\$35,000 x 19% = \$ 6,650)	
Class 3	\$60,000 x 19% = <u>\$11,400</u>	
Total	<u>\$21,550</u>	

Parcel B

Class 3b	\$20,000 x 19% = \$ 3,800	Homestead Credit and Agricultural Credit Portion (40 acres)
Class 3b	\$15,000 x 19% = \$ 2,850	
Class 3	\$35,000 x 19% = <u>\$ 6,650</u>	
Total	<u>\$13,300</u>	

Total Assessed \$34,850

VALUE AND ACREAGE SUBJECT TO 17 MILL AGRICULTURAL AID CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	<u>40 acres</u>	<u>\$ 3,800 A.V.</u>
Total	120 acres	\$13,950 A.V.

REMAINING 180 ACRES AND \$20,900 IS SUBJECT TO 10 MILL AG. AID CREDIT

VALUE AND ACREAGE SUBJECT TO HOMESTEAD CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	<u>40</u> acres	<u>\$ 3,800</u> A.V.
Total	120 acres	\$13,950 A.V.

HOMESTEAD CREDIT IS LIMITED TO \$325 ($\$650 \times 1/2$).

ASSESSED VALUE FOR QUALIFYING TAX AMOUNT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	<u>40</u> acres	<u>\$ 3,800</u> A.V.
Total	120 acres	\$13,950 A.V.

MID YEAR HOMESTEAD

FACTS: 300 ACRES FARM, ONE OWNER OCCUPYING PROPERTY ON JUNE 1 FOR A MID YEAR HOMESTEAD

VALUE: BUILDINGS, \$40,000 - LAND, 300 x \$500/AC = \$150,000

A	B
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> 160 AC Bldgs. \$ 40,000 <u>\$ 80,000</u> \$120,000 </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> 140 AC \$70,000 <div style="border: 1px solid black; width: 20px; height: 20px; margin-top: 10px;"></div> </div>

TOTAL ESTIMATED MARKET VALUE \$190,000

TOTAL ASSESSED VALUE \$ 34,850

Assessed Value Breakdown

Parcel A

Class 3b	\$25,000 x 14% = \$ 3,500	= \$10,150 Homestead Credit and Agricultural Credit Portion (80 acres & one-half the bldgs.)
Class 3b	\$35,000 x 19% = \$ 6,650	
Class 3	\$60,000 x 19% = <u>\$11,400</u>	
Total	\$21,550	

Parcel B

Class 3b	\$20,000 x 19% = \$ 3,800	Homestead Credit and Agricultural Credit Portion (40 ac.)
Class 3b	\$15,000 x 19% = \$ 2,850	
Class 3	\$35,000 x 19% = <u>\$ 6,650</u>	
Total	\$12,300	
Total Assessed Value	\$34,850	

VALUE AND ACREAGE SUBJECT TO 17 MILL AGRICULTURAL AID CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	<u>40</u> acres	<u>\$ 3,800</u> A.V.
Total	120 acres	\$13,950 A.V.

REMAINING 180 ACRES AND \$20,900 IS SUBJECT TO 10 MILL AG. AID CREDIT

VALUE AND ACREAGE SUBJECT TO HOMESTEAD CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	<u>40</u> acres	\$ <u>3,800</u> A.V.
	120 acres	\$13,950 A.V.

HOMESTEAD CREDIT IS LIMITED TO \$325 ($\$650 \times 1/2$).

ASSESSED VALUE FOR QUALIFYING TAX AMOUNT IS ASSESSED VALUE OF FIRST 240 ACRES

Parcel A	160 acres	\$21,550 A.V.
Parcel B	<u>80</u> acres	\$ <u>7,600</u> A.V.
Total	240 acres	\$29,150 A.V.

MID YEAR HOMESTEAD

FACTS: 480 ACRE FARM, ONE OWNER OCCUPYING PROPERTY ON JUNE 1 FOR A MID YEAR HOMESTEAD

VALUE: BUILDINGS, \$40,000 - LAND, 480 x \$500/AC = \$240,000

A	B	C
160 AC	160 AC	160 AC
Bldgs.	\$80,000	\$80,000
\$ 40,000		
\$ 80,000		
\$120,000		

TOTAL ESTIMATED MARKET VALUE \$280,000

TOTAL ASSESSED VALUE \$ 51,950

Assessed Value Breakdown

Parcel A

Class 3b	\$25,000 x 14% = \$ 3,500	= \$10,150 Homestead Credit and Agricultural Credit Portion (80 acres and one-half the bldgs.)
Class 3b	\$35,000 x 19% = \$ 6,650	
Class 3	\$60,000 x 19% = <u>\$11,400</u>	
Total	<u>\$21,550</u>	

Parcel B

Class 3b	\$20,000 x 19% = \$ 3,800	Homestead Credit and Agricultural Credit Portion (40 acres)
Class 3b	\$20,000 x 19% = \$ 3,800	
Class 3	\$40,000 x 19% = <u>\$ 7,600</u>	
Total	<u>\$15,200</u>	

Parcel C

Class 3b	\$40,000 x 19% = \$ 7,600
Class 3	\$40,000 x 19% = <u>\$ 7,600</u>
Total	<u>\$15,200</u>
Total Assessed Value	\$51,950

VALUE AND ACREAGE SUBJECT TO 17 MILL AGRICULTURAL AID CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	40 acres	\$ 3,800 A.V.
Parcel C	None	<u>-0-</u> A.V.
Total	120 acres	\$13,950 A.V.

REMAINING 360 ACRES AND \$38,000 IS SUBJECT TO 10 MILL AG. AID CREDIT

VALUE AND ACREAGE SUBJECT TO HOMESTEAD CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	40 acres	\$ 3,800 A.V.
Parcel C	<u>None</u>	<u>-0-</u> A.V.
Total	120 acres	\$13,950 A.V.

HOMESTEAD CREDIT IS LIMITED TO \$325 ($\$650 \times 1/2$).

ASSESSED VALUE FOR QUALIFYING TAX AMOUNT IS ASSESSED VALUE OF FIRST 240 ACRES.

Parcel A	160 acres	\$21,550 A.V.
Parcel B	<u>80 acres</u>	<u>\$ 7,600 A.V.</u>
Total	240 acres	\$29,150 A.V.

FRACTIONAL HOMESTEAD

FACTS: 480 ACRE FARM, TWO OWNERS WITH EACH HAVING UNDIVIDED ONE-HALF INTEREST,
ONE OWNER OCCUPYING PROPERTY.

VALUE: BUILDINGS, \$40,000 - LAND, $480 \times \$500/\text{AC} = \$240,000$

A	B	C
160 AC	160 AC	160 AC
Bldgs.		
\$ 40,000	\$80,000	\$80,000
<u>\$ 80,000</u>		
\$120,000		

TOTAL ESTIMATED MARKET VALUE \$280,000

TOTAL ASSESSED VALUE \$ 51,950

Assessed Value Breakdown

Parcel A

Class 3b	$\$25,000 \times 14\% = \$ 3,500$	= \$10,150 Homestead Credit and Agricultural Credit Portion (80 acres and one-half the bldgs.)
Class 3b	$\$35,000 \times 19\% = \$ 6,650$	
Class 3	$\$60,000 \times 19\% = \underline{\$11,400}$	
Total	\$21,550	

Parcel B

Class 3b	$\$20,000 \times 19\% = \$ 3,800$	Homestead Credit and Agricultural Credit Portion (40 acres)
Class 3b	$\$20,000 \times 19\% = \$ 3,800$	
Class 3	$\$40,000 \times 19\% = \underline{\$ 7,600}$	
Total	\$15,200	

Parcel C

Class 3b	$\$40,000 \times 19\% = \$ 7,600$
Class 3	$\$40,000 \times 19\% = \underline{\$ 7,600}$
Total	\$15,200
Total Assessed Value	\$51,950

VALUE AND ACREAGE SUBJECT TO 17 MILL AGRICULTURAL AID CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	40 acres	<u>\$ 3,800 A.V.</u>
Total	120 acres	\$13,950 A.V.

REMAINING 360 ACRES AND \$38,000 IS SUBJECT TO 10 MILL AG. AID CREDIT

VALUE AND ACREAGE SUBJECT TO HOMESTEAD CREDIT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	<u>40</u> acres	<u>\$ 3,800</u> A.V.
Parcel C	120 acres	\$13,950 A.V.

HOMESTEAD CREDIT IS LIMITED TO \$325 ($\$650 \times 1/2$).

ASSESSED VALUE FOR QUALIFYING TAX AMOUNT

Parcel A	80 acres	\$10,150 A.V.
Parcel B	40 acres	\$ 3,800 A.V.
Parcel C	<u>None</u>	<u>-0-</u> A.V.
Total	120 acres	\$13,950 A.V.

29. THE FOLLOWING EXAMPLE IS A FULL HOMESTEAD BUT IS SPLIT BECAUSE THE OWNERS ARE RESIDING IN DIFFERENT HOUSES ON THE PROPERTY.

FACTS: 480 ACRE FARM - TWO OWNERS, JOE AND PAUL, EACH HOLDING AN UNDIVIDED ONE-HALF INTEREST IN THE PROPERTY. TWO HOUSES AND SETS OF BUILDINGS ARE LOCATED ON THE PROPERTY. EACH OF THE TWO OWNERS OCCUPIES ONE OF THE TWO HOUSES.

VALUE: LAND, 480 x \$500/AC = \$240,000
 BUILDINGS, (FIRST SET) = \$ 50,000
 BUILDINGS, (SECOND SET) = \$ 40,000

TOTAL ESTIMATED MARKET VALUE \$330,000

TOTAL ASSESSED VALUE \$ 60,200

A	B	C
160 AC	160 AC	160 AC
Bldgs.		Bldgs.
\$ 50,000	\$80,000	\$ 40,000
\$ 80,000		\$ 80,000
\$130,000		\$120,000
JOE		PAUL

Assessed Value Breakdown

Parcel A Class 3b \$25,000 x 14% = \$ 3,500
 Class 3b \$40,000 x 19% = \$ 7,600 = \$11,100 Homestead Portion
 (80 acres and half the bldgs.)
 Class 3 \$65,000 x 19% = \$12,350
 Total \$23,450

Parcel B Class 3b \$20,000 x 19% = \$ 3,800 Homestead Portion (40AC) Joe
 Class 3b \$20,000 x 19% = \$ 3,800 Homestead Portion (40AC) Paul
 Class 3 \$40,000 x 19% = \$ 7,600
 Total \$15,200

Parcel C Class 3b \$25,000 x 14% = \$ 3,500
 Class 3b \$35,000 x 19% = \$ 6,650
 Class 3 \$60,000 x 19% = \$11,400
 Total \$21,550
 Total Assessed Value \$60,200

VALUE AND ACREAGE SUBJECT TO 17 MILL AGRICULTURAL AID CREDIT

Parcel A	80 acres	\$11,100	Joe
Parcel B	40 acres	\$ 3,800	Joe
Parcel B	40 acres	\$ 3,800	Paul
Parcel C	<u>80</u> acres	<u>\$10,150</u>	Paul
	240 acres	\$28,850	

REMAINING 240 ACRES AND \$31,350 IS SUBJECT TO 10 MILL AG. AID CREDIT

VALUE AND ACREAGE SUBJECT TO HOMESTEAD CREDIT

Parcel A	80 acres	\$11,100	Joe
Parcel B	40 acres	\$ 3,800	Joe
Parcel B	40 acres	\$ 3,800	Paul
Parcel C	<u>80</u> acres	<u>\$10,150</u>	Paul
	240 acres	\$28,850	

EACH OWNER IS ENTITLED TO UP TO \$325 FOR A TOTAL OF \$650.

ASSESSED VALUE FOR QUALIFYING TAX AMOUNT

Parcel A	80 acres	\$11,100	Joe
Parcel B	<u>40</u> acres	<u>\$ 3,800</u>	
	120 acres	\$14,900	
Parcel C	80 acres	\$10,150	Paul
	<u>40</u> acres	<u>\$ 3,800</u>	
	120 acres	\$13,950	