

# Iosco Township 2024 Information

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## Updating Records

Weather Permitting, our office will be out updating our record cards and photos throughout the year as required by the State of Michigan, if you wish to make an appointment for this please call Township Hall or email to [assessor@ioscotwp.com](mailto:assessor@ioscotwp.com)

## Disabled Veterans Exemption

Public Act 161 of 2013 has been enacted by the Legislature and signed by Gov. Snyder that allows for Veterans who have been honorably discharged from the military and deemed 100% disabled and rated by the United State Veterans Department of Affairs as individually unemployable to be exempt from property taxes. **An affidavit is required to be filed annually along with verification of the honorable discharge and annual letter from the U.S. Veterans Department of Affairs entitling you to veteran's benefits at the 100% rate. Please call the Assessor's office on Thursdays, 1-5pm at 517-223-9545 if you think you may qualify for this exemption.**

## Proposal A

On March 15, 1994, Michigan Voters approved the constitutional amendment known as Proposal A. Proposal A was designed to limit the growth in property taxes by the **Consumer Price Index (CPI)** until Ownership in the property was transferred.

## How Proposal A Works

Prior to Proposal A, property taxes were based upon State Equalized Value (SEV). With the implementation of Proposal A, property taxes are now based upon the Taxable Value (TV).

Each year, the Assessing Office must calculate the SEV for every property based upon the time frame as outlined by the State Tax Commission. A property's taxable status is determined as of December 31, which is called Tax Day.

Additionally, each property has a Capped Value. Capped Value is calculated by multiplying the prior year's Taxable Value, with adjustments for additions and losses, **by the CPI as calculated by the State of Michigan and cannot increase by more than 5%. For 2024, the CPI has been calculated to 5.1%. (1.051); therefore the factor used for 2024 will be the cap of 5% (1.05)**

Taxable Value (TV), which property taxes are based on, is defined as the lower of State Equalized Value or Capped Value.

**Generally speaking, this means that unless the current year SEV is less than the previous year Taxable Value multiplied by the CPI, the current years Taxable Value will increase by the CPI.**

SEV = 50% of True Cash Value

**Capped Value** = (Prior TV- losses) x (1+CPI\*) + Additions.  
\*Percent of change in the rate of inflation or 5% whichever is less, expressed as a multiplier.

**Taxable Value** = The lesser of State Equalized Value or Capped Value unless there is a transfer of ownership.

## The Equalization Timetable

The State Tax Commission rules establish that a local assessing office use a 24- month sales study to calculate assessments for 2024, beginning April 1, 2021 and ending March 31, 2023.

Sales that occur in the current calendar year after March 31<sup>st</sup> will not be considered in the sales study until the following year.

With the transitional markets we are experiencing currently, it can take time for the assessment cycle to recognize increasing or decreasing prices, to the detriment of taxpayers under Proposal A.

## Actual Sale Price is not True Cash Value

The law defines True Cash Value as the usual selling price of property. The Legislature and the Courts have very clearly stated that the actual selling price of a property is not a controlling factor in the True Cash Value or State Equalized Value as calculated by the Assessor. For this reason, when analyzing sales for the purpose of determining assessment changes, the Assessing Office will review sales and exclude non-representative sales from the assessment analysis. Inherent in the definition on unusual selling price is the assumption that the sale does not involve any element of distress from either party. **For this reason, all distressed sales, such as sales involved mortgage foreclosure or sales involving transfers to or from relocation companies are not considered as typical sales in the valuation of property for assessment purposes.**