

# HOW ARE MY TAXES CALCULATED IN SHELBY COUNTY ALABAMA?

In the State of Alabama, property tax is based on three factors:

- **Property Classification**
- **Millage Rate**
- **Exemptions**

## Step 1: Property Classification

Your taxes are calculated using your property's **Assessed Value**. This is determined by multiplying the **Appraised Value** by the corresponding **Property Classification**, which is also known as the **Assessment Rate**.

**Appraised Value X Property Classification = Assessed Value**

Classes of Property		
Class	Description	Assessment %
I	All property of utilities used in the business of such utilities	30%
II	All property not otherwise classified	20%
III	All agricultural, forest and single family, owner occupied residential property, including owner occupied residential manufactured homes located on land owned by the manufactured home owner, and historic buildings and sites	10%
IV	All private passenger automobiles and motor trucks of the type commonly known as "pickups" or "pickup trucks" owned and operated by an individual for personal or private use and not for hire, rent, or compensation	15%

Example:

<b>Appraised Value</b>	<b>x</b>	<b>Property Classification</b>	<b>=</b>	<b>Assessed Value</b>
\$100,000	x	0.10	=	\$10,000

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October 2012 Shelby County Millage Rates

## Step 2: Millage Rate

Once the **Assessed Value** of your property has been determined, multiply it by the appropriate **Millage Rate** for the AREA of the County in which you live. Millage is the tax rate expressed in decimal form. Millage rates are determined by the municipality, county and other taxing agencies.

A mill is one-tenth of one cent. (.001)

1 mill = \$0.001

10 mills = one penny or \$0.01

100 mills = ten cents or \$0.10

1000 mills = one dollar or \$1

**Assessed Value X Millage Rate = Unadjusted Tax Bill**

Example: Montevallo

<b>Assessed Value</b>	<b>x</b>	<b>Montevallo Millage Rate</b>	<b>=</b>	<b>Unadjusted Tax Bill</b>
\$10,000	x	0.051	=	\$510

1. State	6.5
2. County	7.5
3. School	30.0
4. Municipality	7.0
<b>Total Millage:</b>	<b>51.0</b>

<b>1.</b>	GENERAL FUND	2.5	
	Total State	6.5	
<b>2.</b>	GENERAL FUND	5.0	
	ROAD & BRIDGE	2.5	
	Total County	7.5	
<b>3.</b>	A.COUNTY WIDE	16.0	
	B. District 2 - County Outside Hoover, Birmingham & Vestavia Hills	14.0	
	C. District 2 - County inside Hoover	6.0	
	Dist2 - Outside (A+B)	Total School	30.0
	Dist2 -Inside Hoover (A+C)	Total School	22.0
	Dist2 -Inside Bham, Vestavia (C.)	Total School	16.0
<b>4.</b>	Municipality		
	ALABASTER		10.0
	CALERA		10.0
	COLUMBIANA		10.0
	HARPERSVILLE		5.0
	HELENA		5.0
	MONTEVALLO		7.0
	PELHAM		14.0
	VINCENT		5.0
	WILSONVILLE		5.0
	WILTON		5.0
	LEEDS		9.2
	HOOVER (6.5 Cty + 24 Cty Schools)		30.5
	BIRMINGHAM (28.5 Cty + 7.7 Cty Schools)		36.2
	INDIAN SPRINGS		0.0
	VESTAVIA HILLS		49.3
	CHELSEA		0.0
	WESTOVER		0.0

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## Step 3: Exemptions

After determining your **Unadjusted Tax Bill**, subtract any **Exemptions** you might have. This gives you the **Adjusted Tax Bill**.

A homestead exemption is defined as a single-family owner-occupied dwelling and the land thereto, not exceeding 160 acres. The property owner may be entitled to a homestead exemption if he or she owns a single-family residence **and occupies it as their primary residence on the first day of the tax year for which they are applying**. There are four different types of exemptions a home owner can claim in the State of Alabama.

1	Any owner-occupant under 65 years of age is allowed homestead exemption on state taxes not to exceed \$4,000 and on county taxes not to exceed \$2,000 assessed value, both <u>excluding</u> all school and municipal taxes.
2	Any owner-occupant over 65 years of age, having a joint net annual taxable income of \$12,000 or less, is exempt from taxes on the principal residence. You must claim this exemption; proof of age and income is required.
3	Any owner-occupant who is retired due to 100% total & permanent disability & your joint Federal Taxable income is \$12,000 or less, you will receive a total exemption. You must claim this exemption and proof of disability & income is required.
4	Any owner-occupant who is <u>blind</u> as defined in section 1-1-3 provides a homestead exemption not to exceed \$5000 of assessed value. You must claim this exemption and proof is required.
	Special exemptions (2, 3, and 4 above) must be filed annually with the Property Tax Commissioner.

## Unadjusted Tax Bill - Exemptions = Adjusted Tax Bill

Example: Montevallo

<b>Unadjusted Tax Bill</b>	-	<b>Exemption (basic)</b>	=	<b>Adjusted Tax Bill</b>
\$510	-	\$41	=	\$469