



Subject: Truth in Taxation and the Homestead Credit Shift

With the “homestead credit shift” approved by this year’s Legislature, this may be a very exciting year for Truth in Taxation hearings. When taxpayers receive their proposed property tax statements within the next few weeks, many will see large increases in their tax bills and may be motivated to call you or attend your hearing.

As in past years, Ehlers will assist school districts by preparing a presentation that you can use at your annual hearing. This year’s presentation will include an explanation of the new tax legislation and specific examples for your district. **A copy of a sample presentation for 2012 taxes is now available on our web site, at [this link](#).**

You can purchase the full presentation for a fee of \$1,250, but we can also provide some of the tables and graphs separately for a lower price.

For this year’s presentation, we have developed an analytical tool which will produce a table for any school district, showing the impact of the “homestead credit shift” on taxes for varying types and values of property, if it had been implemented in 2011. This may be very useful in demonstrating how much of the changes in tax bills are due to state actions outside of your control. A sample copy of this table is attached to this message. **If you would like us to produce a similar table for your school district, we will do so for a fee of \$300.**

If you have questions or you would like to purchase the full presentation or any of the tables and graphs, you may reply to this message, contact any of the financial advisors on the Ehlers Education Team at the numbers below, or call our toll-free number at (800) 552-1171.

Tom Berge	651.697.8570	Jeff Seeley	651.697.8585
Carolyn Drude	651.691.8511	Joel Sutter	651.697.8514
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If you want to learn more about the homestead credit shift and how it will affect property taxes, Joel Sutter and Gary Olsen of Ehlers will be giving two presentations on this topic at the MASBO fall meeting on Friday, November 18.

Gopherville School District No 100
Estimated Impact of Homestead Credit Shift on School District Taxes
If Shift had Been Implemented on 2011 Taxes

	Estimated Market Value	2011 School Taxes Based on		Estimated Net Impact of Shift on 2011 School Taxes	
		Old Law - Hmstd. Credit	New Law - Hmstd. Exclusion	\$ Change in School Taxes	% Change in School Taxes
Residential Homestead	\$125,000	\$562	\$568	\$6	1.1%
	200,000	969	982	13	1.3%
	250,000	1,239	1,259	20	1.6%
	300,000	1,510	1,535	25	1.7%
	400,000	2,051	2,088	37	1.8%
	500,000	2,569	2,615	46	1.8%
	600,000	3,163	3,220	57	1.8%
	750,000	4,054	4,128	74	1.8%
Commercial/ Industrial	\$250,000	\$1,238	\$1,249	\$11	0.9%
	800,000	4,418	4,500	82	1.9%
	2,000,000	11,258	11,469	211	1.9%
Agricultural Homestead*	\$400,000	\$1,029	\$1,048	\$19	1.8%
	1,000,000	1,993	2,040	47	2.4%
Agricultural Non-Homestead (dollars per acre)	\$2,000	\$6.43	\$6.61	\$0.18	2.8%
	3,000	9.64	9.92	0.27	2.8%
	4,000	12.85	13.22	0.37	2.8%
Apartments (4 or more units)	\$500,000	\$2,971	\$3,028	\$57	1.9%
	2,000,000	11882	12111	229	1.9%
Percent reduction in district's total tax capacity due to shift				-2.8%	

+ Figures above show the impact of the shift for property in Gopherville.

* For agricultural homestead property, assumes a value of \$150,000 for the house, garage, and one acre.