

# METRO-AREA COMMERCIAL TAX COMPUTATION

Example of tax computation on a COMMERCIAL PREFERRED PROPERTY  
in SPRUCE COUNTY (NOT IN A TAX INCREMENT DISTRICT)  
that has a Taxable market value of **\$1,000,000**.

## STEP 1: CALCULATE THE NET TAX CAPACITY

1.5% x first \$150,000 of Taxable Market Value	\$2,250
2.0% x Taxable Market Value in excess of \$150,000	17,000
<b>Total Net Tax Capacity</b>	<b>\$19,250</b>

## STEP 2: CALCULATE THE FISCAL DISPARITY NET TAX CAPACITY

Total Net Tax Capacity (RESULT FROM STEP 1)	
X City's Fiscal Disparity Sharing Factor <u>0.251152</u>	\$4,835
<b>Total Fiscal Disparity Net Tax Capacity</b>	<b>\$4,835</b>

## STEP 3: CALCULATE THE LOCAL NET TAX CAPACITY

Total Net Tax Capacity (RESULT FROM STEP 1)	\$19,250
Less: Total Fiscal Disparity Net Tax Capacity (RESULT FROM STEP 2)	(4,835)
<b>Total Local Net Tax Capacity</b>	<b>\$14,415</b>

## STEP 4: CALCULATE THE STATE NET TAX CAPACITY

0.0% x first \$150,000 of Estimated Market Value	\$0
2.0% x Estimated Market Value in excess of \$150,000	17,000
<b>Total State Net Tax Capacity</b>	<b>\$17,000</b>

## STEP 5: CALCULATE THE LOCAL TAX

Local Tax Payable = 116.231% multiplied by STEP 3 \$14,415 = \$16,754.70

## STEP 6: CALCULATE THE FISCAL DISPARITY TAX

Fiscal Disparity Tax Payable = 133.667% multiplied by STEP 2 \$4,835 = \$6,462.80

## STEP 7: CALCULATE THE MARKET TAX

Market Tax Payable = 0.23010% multiplied by Taxable Market Value \$1,000,000 = \$2,301.00

## STEP 8: CALCULATE THE STATE GENERAL TAX

State General Tax Payable = 29.294% multiplied by STEP 4 \$17,000 = \$4,979.98

## STEP 9: ADD LOCAL, FISCAL DISPARITY & STATE TAXES

Local Tax	\$16,754.70
Plus: Fiscal Disparity Tax	6,462.80
Plus: Market Tax	2,301.00
Plus: State General Tax	4,979.98
<b>Total COMMERCIAL PROPERTY Tax Payable</b>	<b>\$30,498.48</b>

*Note: This tax computation applies to Commercial/Industrial Property except contiguous Commercial/Industrial parcels owned by the same entity.*

# NON METRO-AREA COMMERCIAL TAX COMPUTATION

Example of tax computation on a COMMERCIAL PREFERRED PROPERTY  
in SPRUCE COUNTY (NOT IN A TAX INCREMENT DISTRICT)  
that has a Taxable market value of **\$1,000,000.**

## STEP 1: CALCULATE THE NET TAX CAPACITY

1.5% x first \$150,000 of Taxable Market Value	\$2,250
2.0% x Taxable Market Value in excess of \$150,000	17,000
<b>Total Net Tax Capacity</b>	<b>\$19,250</b>

## STEP 2: CALCULATE THE STATE NET TAX CAPACITY

0.0% x first \$150,000 of Estimated Market Value	\$0
2.0% x Estimated Market Value in excess of \$150,000	17,000
<b>Total State Net Tax Capacity</b>	<b>\$17,000</b>

## STEP 3: CALCULATE THE LOCAL TAX

Local Tax Payable =	<b>STEP 1</b>	
	116.231% multiplied by	\$19,250 = \$22,374.47

## STEP 4: CALCULATE THE MARKET TAX

Market Tax Payable =		<b>Taxable Market Value</b>	
	0.23010% multiplied by	\$1,000,000	= \$2,301.00

## STEP 5: CALCULATE THE STATE GENERAL TAX

State General Tax Payable =		<b>STEP 2</b>	
	29.294% multiplied by	\$17,000	= \$4,979.98

## STEP 6: ADD LOCAL, MARKET & STATE TAXES

Local Tax	\$22,374.47
Plus: Market Tax	2,301.00
Plus: State General Tax	4,979.98
<b>Total COMMERCIAL PROPERTY Tax Payable</b>	<b>\$29,655.45</b>

**Note:** This tax computation applies to Commercial/Industrial Property except contiguous Commercial/Industrial parcels owned by the same entity.