



How to Estimate Real Estate Taxes

1. Property Value

- **Fair Market Value.** The fair market value is the appraised value of the real property.
- **Taxable Value.** The taxable value is the value used for calculating real property tax. For most properties the change in value during reassessment is capped and cannot increase more than 15% from the prior assessment.

Example: The fair market value of a home was \$100,000 in the last county reassessment. The value of the home increased to \$130,000 during the new reassessment. The fair market value is \$130,000 but the taxable value is \$115,000 due to the 15% cap. The cap does not apply to transfers that are classified as Assessable Transfer of Interest (ATI).

2. Assessment Ratio

The assessment ratio is the percentage the property value that is subject to taxation. The South Carolina Constitution allows that all real property and mobile homes, with the exception of property of manufacturers, will be assessed at a 6% ratio. The property of manufacturers is assessed by the South Carolina Department of Revenue at 10.5% ratio.

An owner's primary residence can qualify for a special assessment ratio of 4% . Primary residences are also exempt from paying the school operating millage. The owner must make application for the primary residence exception. The form and instructions are available in the Chester County Assessor's office and online on the forms section of the Chester County website

3. Millage

The millage rate, of tax levy, is set by the County Council, School Board, fire districts, and municipalities. The applicable millage rate is displayed on the County property tax bill as Tax Levy. The millage rates are available on the Chester County Auditors home page under "current year" Tax Levy.

Tax Calculation

$$\text{Tax} = (\text{Taxable Value}) \times (\text{Assessment ratio}) \times (\text{Millage})$$

For a property with a taxable value of \$100,000, a 6% assessment ratio, and 400 mills (0.400) the tax calculations is:

$$\$100,000 \times 0.06 \times 0.400 = \$2,400$$