

Property Tax Information



Assessor's Office

Calumet Township
25880 Red Jacket Road
Calumet, MI 49913
(906) 337-2410
caltwpassessor@gmail.com

Hours:

Monday-Thursday
8:00am-4:00pm
Friday
8:00am-12:00pm

What are Property Taxes based on?

On March 15, 1994, Michigan voters approved a constitutional amendment known as Proposal A. Prior to Proposal A, property tax calculations were based on the State Equalized Value (SEV). Proposal A established Taxable Value (TV) as the basis for the calculation of property taxes

Increases in Taxable Value are limited to the percent of change in the rate of inflation or 5%, whichever is less, as long as there were no losses or additions to the property. The limit on TV does not apply to a property in the year following a transfer of ownership (sale).

What is Assessed Value?

The Michigan Constitution requires that property be uniformly assessed and not exceed 50% of the True Cash Value. Each tax year, the local assessor determines the Assessed Value (AV) of each parcel of real property based on the condition of the property as of December 31 of the previous year.

What is Taxable Value?

Except when there is a transfer of ownership in the prior year, Taxable Value for a parcel of property is the LOWER of the State Equalized Value for the parcel or the Capped Value for the parcel.

What is State Equalized Value?

The State Equalized Value is the Assessed Value as adjusted following county and state equalization. The County Board of Commissioners and State Tax Commission must review local assessment jurisdictions and adjust (equalize) them so that they do not exceed 50% of the True Cash Value.

What is Capped Value?

Capped Value (CV) is the value established when the Taxable Value (TV) of the prior year, with adjustments for additions and losses, is multiplied by the Inflation Rate Multiplier (IRM). The multiplier is capped and cannot be greater than 1.05 (1 + 5%). It represents the change in the rate of inflation during the previous year. The final product is the Capped Value.

$$CV = (\text{Prior TV} - \text{Losses}) \times (\text{IRM})^* + \text{Additions}$$

*Percent of change is the rate of inflation or 5%, whichever is less, expressed as the multiplier

How are Property Values Determined?

Market sale transactions for real property are used by Michigan assessors to compare Assessed Values with the actual sales prices (market values) for the same properties. Market value can be defined as the most probable selling price, as of a specific date, where both buyer and seller are knowledgeable and neither is under duress.

The average ratio between the AV and the sale price should be 50%. Since the market for real estate constantly changes, the average ratio actually found will usually not be 50%. Local assessors are required to reestablish the 50% ratio on an annual basis.

What happens when you purchase a home?

When property, or interest in a property, is transferred, the following year's State Equalized Value becomes that year's Taxable Value. In other words, if you purchase property, your Taxable Value for the following year will increase to the State Equalized Value. The Taxable Value will then be "capped" for the second year following the transfer of ownership.

What is a Principal Residence Exemption?

If you own or occupy your home as your principal residence, it may be exempt from a portion of local school operating taxes. On your "Notice of Assessment" review your percentage of principal residence exemption.

If you wish to claim an exemption for a recently purchased property, a Principal Residence Exemption Affidavit must be completed and filed with the township by June 1st for the summer school tax collection.

Furthermore, if you currently have a PRE on your property and you no longer own and occupy the property as your primary residence, you must rescind the PRE with the Assessor's office.

What is Transfer of Ownership and Uncapping of Tax Values?

According to Proposal A, when a property (or interest in a property) is transferred or sold, the following year's SEV becomes that year's Taxable Value. In other words, if you purchased a property in 2019, the Taxable Value for 2020 will be the same as the 2020 SEV. The Taxable Value will then be capped again in the second year following the transfer of ownership.

It is important to note that a property does not uncap to the selling price, but to the SEV in the year FOLLOWING the transfer of ownership.

What is an Annual Inspection?

Due to recent State Tax Commission policy updates, it is expected that local units of government will annually field visit a minimum of 20% of each of the parcels in each property class each year. The expectation is that all parcels will be examined at least once over a five-year period.

Any time our staff is performing a field visit at a property, they will be wearing proper identification.

If you have any questions, feel free to call our office at 906-337-2410.

When there is an increase in assessed value, this may be due to several factors. These factors include but are not limited to: sales in the general area or neighborhood, classification of the building, new value added to the assessment roll which was not previously assessed. This may also include items that have been on the property for years but were never assessed.

If there was a decrease to the assessed value, this may be due to: sales in the general area or neighborhood, classification of the building, demolition, or loss of previously assessed property.

Remember, the taxable value typically will increase by the consumer price index (1.019 for 2020) plus any new value that was added to the assessment roll.

What if I disagree with my assessment?

You receive an annual Assessment Change Notice from the township the last weekend in February each year. If you disagree with the assessment of your property, you may protest in person or in writing to the March sessions of the township's Board of Review, a citizen panel that reviews assessments.

The Board of Review begins hearing individual assessment appeals on the second Monday of March. The assessment change notice details the dates and times of the meetings. To personally appear before the Board, you must schedule an appointment. Remember, if you do not protest to the Board of Review in a timely manner, you

cannot later appeal the assessment. In other words, don't wait until your tax bill comes out; that would be too late. If you still disagree after the Board of Review considers your protest, you may further appeal to the Michigan Tax Tribunal. The Board of Review decision notice will be mailed to you with information on the appeal process.

Does the Board of Review have the authority to increase an assessment or Tentative Taxable Value?

The General Property Tax law states, "The Board of Review shall correct the Assessed Value or Tentative Value of the property, in a manner as in their judgment will make the valuation of the property relatively just and proper."

What is my recourse if I disagree with the decision of the Board of Review?

For residential appeals, the next level of appeals is the Michigan Tax Tribunal. These appeals must be filed no later than July 31st. Commercial and Industrial appeals must be filed by May 31st. The address of the Michigan Tax Tribunal is PO Box 30232, Lansing, MI 48909

How are Property Taxes calculated?

Property Taxes = Taxable Value x Millage Rate/1000

Is there a Property Tax Estimator for Michigan?

Yes:

- Go to michigan.gov/propertytaxestimator
- Click Begin Estimating Property Taxes