

2023 Government Academy

How are taxes calculated

Tax Rate Calculation

- Net Amount to be Raised by
Taxation Divided by Assessed Value
Multiplied by 1,000

Net Amount to be Raised by Taxes Calculation

- Expenditure Budget
- - Revenues
- + Overlay/Credits
- Net Amount to be Raised by Taxes

Tax Rate Components

- Assessed value
- Net Amount to be raised via taxation



\$ 1 million



\$500,000



\$200,000



\$800,000

Total Assessed Value

- Mansion: \$1 million
- House: 500,000
- Mobile Home: 200,000
- Business: 800,000
- Town's total assessed valuation is: **\$2,500,000**

Net Amount to be Raise via Taxation

- Expenditure Budget: \$ 10,000
- Estimated Revenues: \$ 3,000
- Amount to be raised for overlay/credits: \$ 1,000
- \$ 10,000
- (3,000)
- +1,000
- **\$ 8,000** = Net Amount to be Raised via Taxation

Tax Rate Calculation

- Net Amount to be Raised by Taxation Divided by Assessed Value Multiplied by \$1,000
- $8,000 / 2,500,000 = \$0.0032$
- $\$0.0032 * 1,000 = \3.20 Tax Rate

Tax Rate in NH

- 4 components to the tax rate:
 - Municipal
 - County
 - Local Education
 - State Education

Salem, NH's 2022 Tax Rate

- Municipal (Town): \$ 5.08
- County: \$ 0.72
- Local Education: \$ 9.11
- State Education: \$ 1.14
- Total Tax Rate: \$ 16.05

