

2023 Government Academy

How are taxes calculated

Tax Rate Calculation

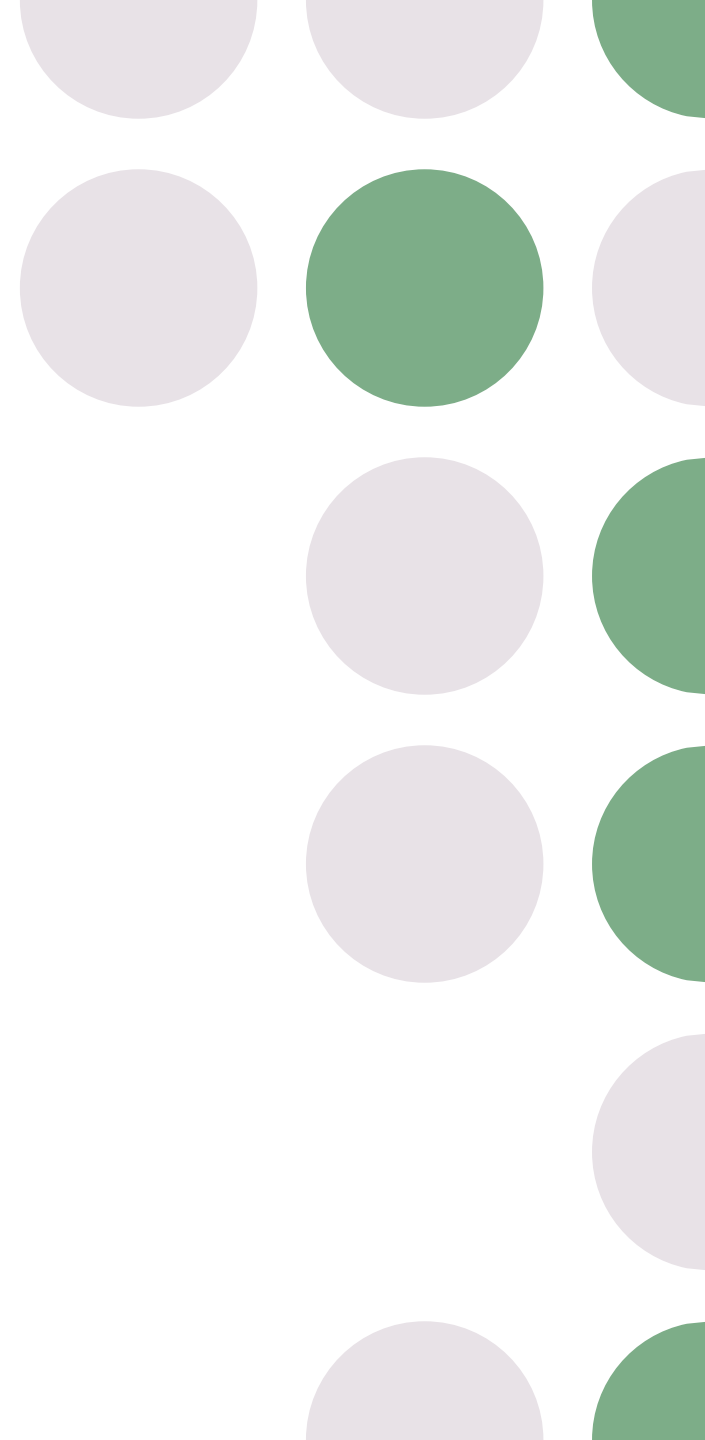
- Net Amount to be Raised by
Taxation Divided by Assessed Value
Multiplied by 1,000
-

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



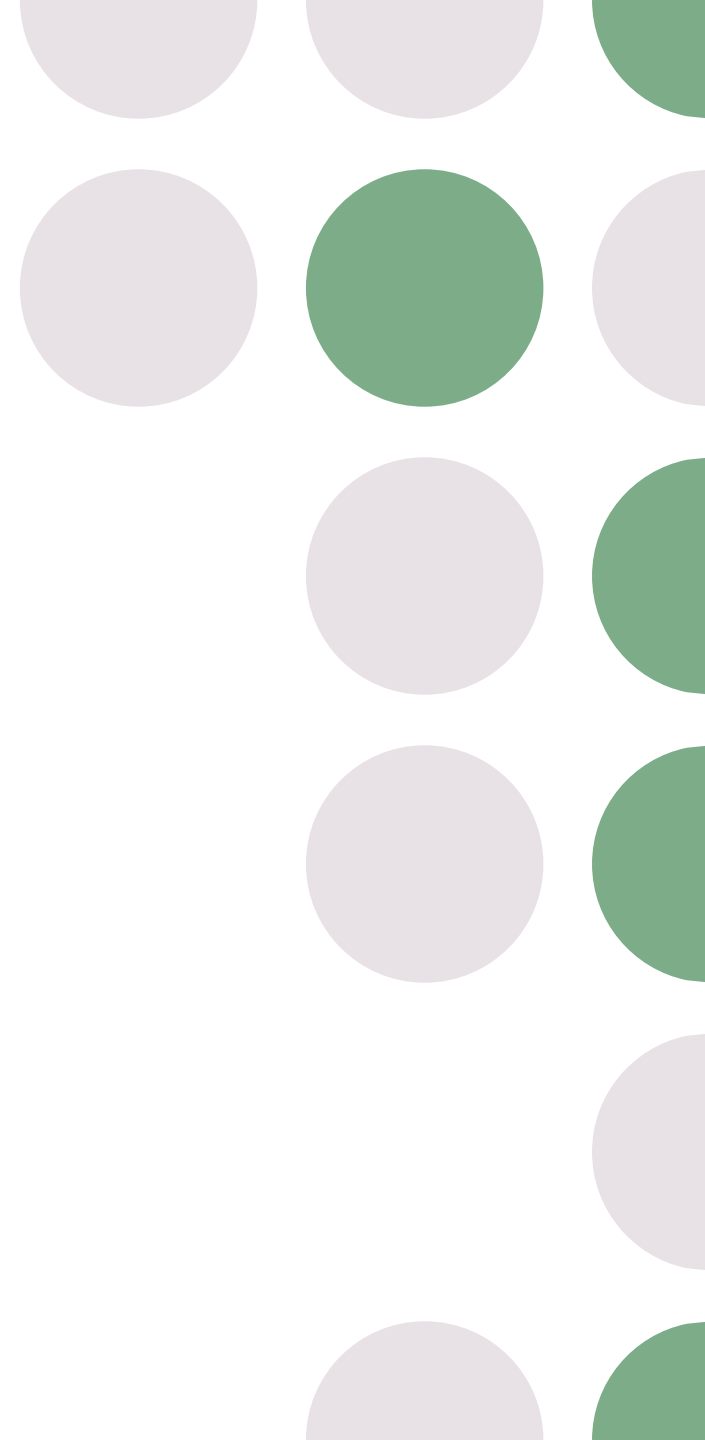
\$200,000



\$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
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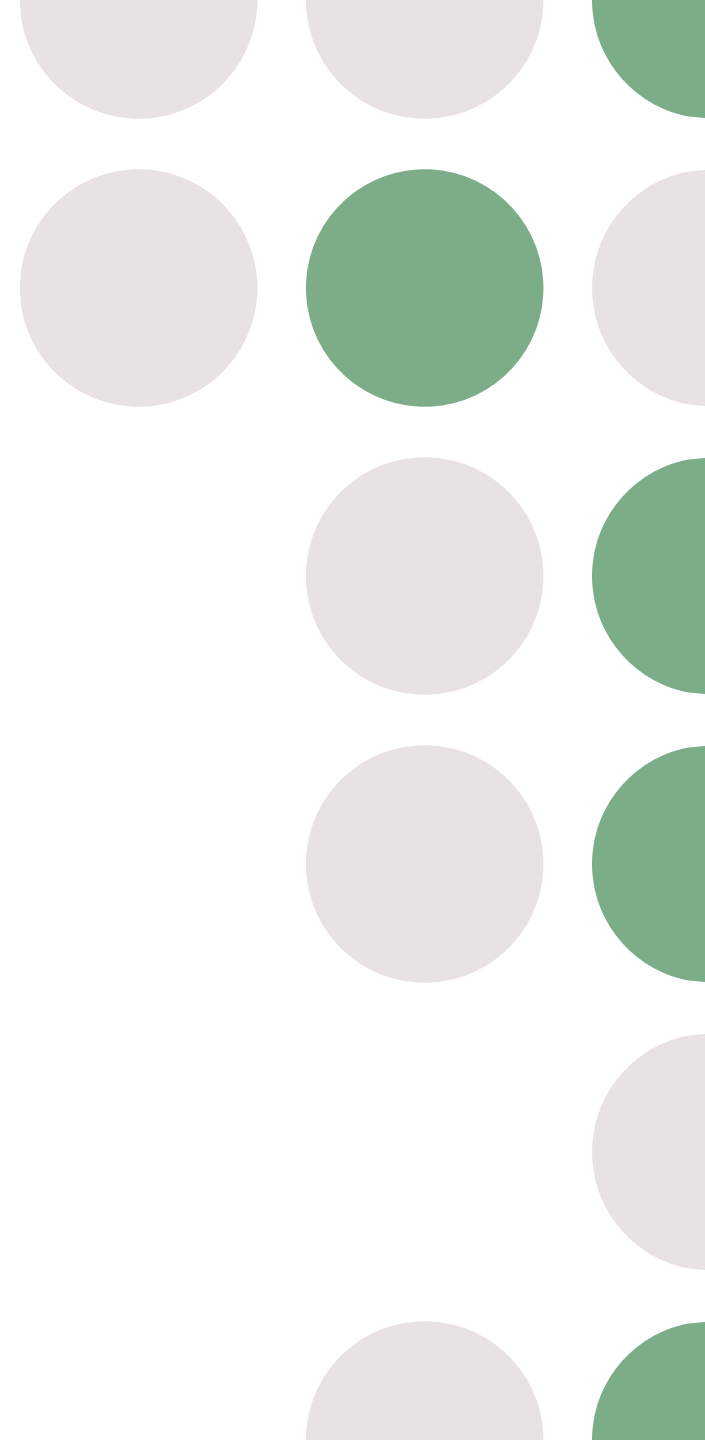


Net Amount to be Raised via Taxation

- 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
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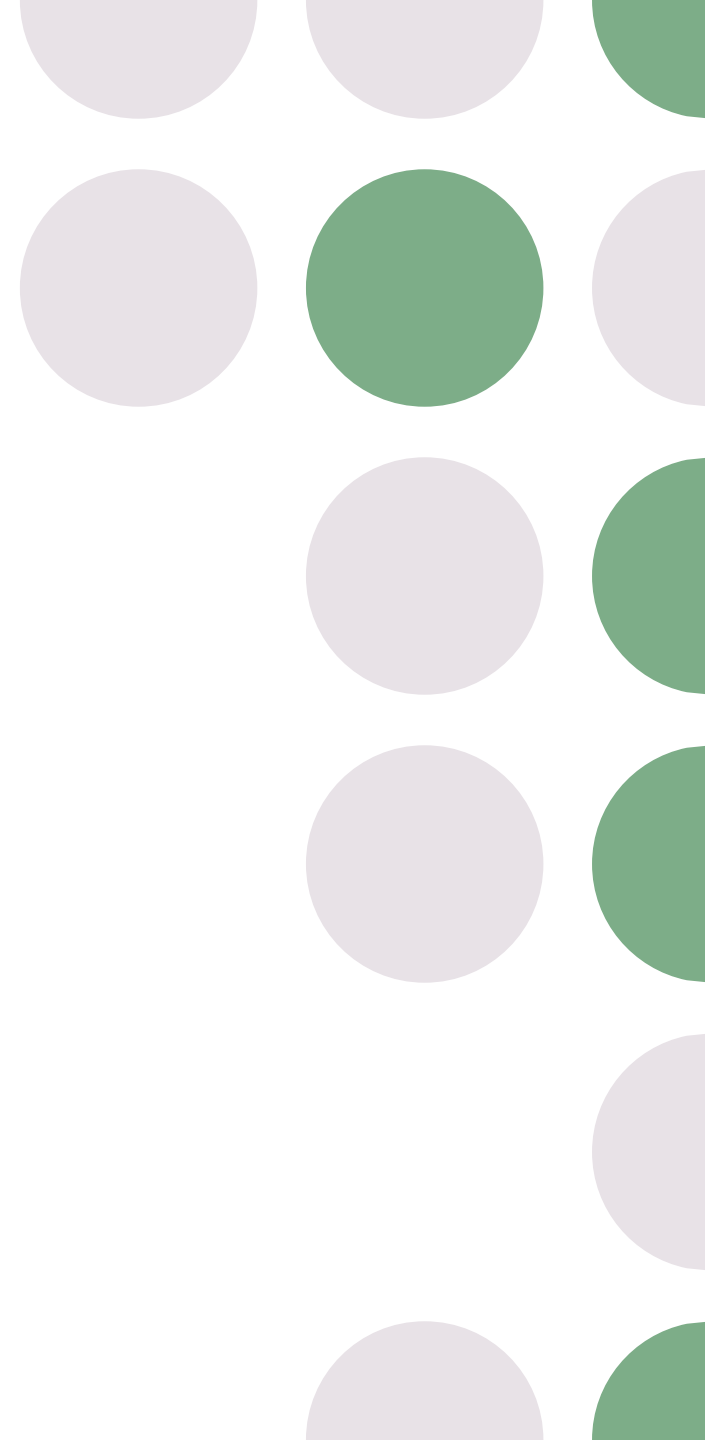
Tax Rate Calculation

- 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
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Tax Rate in NH

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

