

Calculating the First Dollar Credit

The “Calculated Equalized Value” is rounded to the nearest \$100 and equals the “Total Est. Fair Mkt” value from the property tax bill.

Step 1 – Obtain the Maximum Credit Value (MVC)

- In late November, the Wisconsin Department of Revenue (DOR) provides municipalities with the MVC for the First Dollar Credit
- **Example:** MVC = \$3,000

Step 2 – Calculate the Equalized Value

- Divide the Assessed Value of the property (improvement plus land value) by the Assessment Ratio
- DOR certifies the Assessment Ratio
- **Example:** Assessed Property Value/Assessment Ratio = Calculated Equalized Value ($\$290,400/0.7900 = \$367,600$)

Step 3 – Determine Credit Value

- Compare the Calculated Equalized Value to the MVC
- **Lower** of these two amounts is the Credit Value
- **Example:**
 - MVC = \$3,000; Calculated Equalized Value = \$367,600
 - **Credit Value** = \$3,000 (since the MVC is the lower amount)

Step 4 – Calculate First Dollar Credit

- Multiply the Equalized Value School Tax Rate by the Credit Value (from Step 3)
- DOR certifies the Equalized Value School Tax Rate
- **Example:** Equalized Value School Tax Rate X Credit Value = First Dollar Amount ($0.01064902 \times \$3,000 = \31.95)
- **Note:** For K-8 Union High Schools, combine the two rates then multiply it by the Credit Value. The First Dollar Credit is based on school taxes for grades K-12.