

Calculating STAR exemptions

The formula below is used to calculate Basic STAR exemptions. Enhanced STAR exemptions are calculated the same way, except the base amount for the Enhanced STAR exemption in the 2023-2024 school year is \$81,400 (rather than \$30,000 for Basic STAR). The dates pertain to assessing units that publish their final assessment rolls on July 1.

April STAR certification

Prior year equalization rate (or current year level of assessment for municipalities conducting reassessments)

× \$30,000

× Sales price differential factor

= **Amount A**

Prior year Basic STAR exemption amount

× .89

= **Amount B**

The higher of **Amount A** and **Amount B** becomes the Basic STAR exemption amount.

July—August possible recertification

If the change in level of assessment between the prior and current assessment roll is more than 5%, then we estimate a new STAR exemption amount. We compare the new amount to the exemption amount certified in April. If the difference between the original amount and the new estimate is 5% or more, then we certify a new STAR exemption amount.

Estimated exemption calculation

Prior year equalization rate

× Change in level of assessment factor*

× \$30,000

× Sales price differential factor

= **Amount C**

Prior year Basic STAR exemption amount

× Change in level of assessment factor*

× .89

= **Amount D**

If the higher of **Amount C** or **Amount D** varies by 5% or more from the STAR exemption certified in April, then the higher of **Amount C** or **Amount D** is certified as the STAR exemption amount.

* **Change in level of assessment**—net percentage increase or decrease in the assessed valuation of all taxable real property in an assessing unit from one final assessment roll to the next. Does not include:

- increases or decreases in value attributable to physical or quantity changes in the property
- assessed valuation of:
 - special franchise property
 - railroads subject to a ceiling assessment
 - wholly exempt properties