

The Assessing Department is responsible for identifying and valuing all real and personal property within Chesterfield Township in accordance with Michigan's General Property Tax Laws.

What is Assessed Value?

Assessed Value is a property value estimated by the assessor as of Tax Day. For 2021, Tax Day is December 31, 2020. That property value is subject to appeal at the March Board of Review.

What is State Equalized Value?

After all appeals are heard, the March Board of Review confirms the assessment roll. That roll is then subject to review by the county and state. Following those reviews State Equalized Value (SEV) is set. SEV is then considered to be 50% of Market Value or True Cash Value as determined on Tax Day.

What is the formula for Capped Value?

The Capped Value calculation is used to determine Taxable Value. 2021 Capped Value (CV): The 2021 formula is: $(2020\ TV - 2021\ Losses \times IRM) + 2021\ Additions = 2021\ Capped\ Value$. The 2021 Inflation Rate Multiplier (IRM) is 1.014. Losses are considered to be physical losses to the property. Additions are considered to be physical additions to the property.

What is Taxable Value?

Taxable Value (TV) is the lesser of Assessed Value and Capped Value. In the year following a transfer of ownership (sale, gift, inheritance, etc.) the Taxable Value will be equal to the Assessed Value. In Michigan, taxes are based on Taxable Value, not State Equalized Value. Taxable Value can never be higher than the Assessed Value.

Why aren't my assessed and taxable values equal to each other?

For most properties in Chesterfield, market values are increasing. The state constitution requires that properties are assessed at 50% of market value. However taxable value increases are limited to the 2021 statewide IRM or commonly called inflation rate of 1.014. So even if your neighborhood increases 10% because of market activity, your taxable value will only increase 1.014. In this example, it's a good news/bad news story for the homeowner. While values aren't back to pre-recession levels, property owners are less underwater and property tax increases are limited.

Why isn't my new assessment 50% of my purchase price?

The simple answer is that it is against the law. MCL 211.27 states that the purchase price is no longer the presumptive True Cash Value of a property. Market sale transactions for real property are used by Michigan assessors to compare assessed values (AV) with the actual sale prices (market value) for those properties. Market value can be defined as the most probable price, as of a specific date, where both buyer and seller are knowledgeable and neither is under duress.

How much will my taxes go up if I build a garage?

Your taxes will go by the yearly millage rate multiplied by 50% of the appraised value of your new garage.

Example: Garage appraised at \$15,000 times 0.50=\$7,500 (\$7,500 x current millage rate) $7,500 \times 0.0327822 = \245.86

Should I call the office if I see an appraiser taking a picture of my house?

If it is a Township appraiser he is only doing his job. In the past we had older black and white photographs, today we are trying to update our records with digital colored photograph which can be accessed from our computers.

What is the time period considered in the 2021 Chesterfield sales study?

The State Tax Commission requires counties to perform preliminary equalization using a 12 month and a 24-month sales study for each community. Chesterfield will use a 24-month study period that begins April 1, 2018 through March 31, 2020 and includes over 2,000 sales. The 24-month sales study helps the taxpayer because it considers older sales.

When can I appeal my assessment?

By law, the only time you may appeal your assessment is at the 2021 March Board of Review, which will begin the second Monday in March. After you receive the Change of Assessment Notice you can schedule an appointment and file a completed Board of Review Petition form L-4035. Please read the Change of Assessment Notice for exact dates and times. Petitions are available online or at the Assessing Department counter.

What happens if I'm not happy with the decision of the March Board of Review?

State law provides the next level of appeal at the Michigan Tax Tribunal. A letter of appeal on residential property must be sent to the Tribunal (P. O. Box 30232, Lansing, MI 48909) by July 31st following an appearance at the March Board of Review.

Why can't I protest my value when I get my tax bill in July?

The State law provides for one time per year to protest the value of your property. That protest may be made at the March Board of Review only.

Is there any other tax relief for seniors besides deferment or Poverty?

Besides deferment and poverty exemption, the only other tax relief available is the Homestead Credit that is filed with your state income tax. The amount you may receive back from the State of Michigan depends on your income and property tax amounts.

Do you have all of your information on line?

Almost all of the information in the Assessor's Office is public record. The amount paid in taxes is also public record and it is available online. Access the Assessor BS&A online data on our website and you may look up information by name, address or parcel number. Square footage & 2021 values are available. We also have the sketch drawings of the ground floor areas online and available for viewing. Information is also available at the Assessing Department counter as soon as the Assessment Change Notices are mailed.

Where do I change my address?

We request that you complete a Change of Address form available on our website. Please complete the written request form and submit it to the Assessing Department. This change request will affect all assessment notifications, tax bills, and water bill mailings.

How do I qualify for the homestead exemption?

The homestead exemption is more correctly known as the Principal Residence Exemption (PRE). The qualifications are simple; you must own and occupy the home as your principal residence on or before June 1. Recent legislation allows for a partial homestead for homes acquired after June 1 and before November 1. A person or a married couple is allowed only one PRE-in the State. You may not claim an exemption in any other state. The exemption continues until the use of the home as your principal residence changes. When the change occurs, you must notify the assessor's office in writing. Recent legislation allows a previous homestead to remain in place under certain conditions. The Conditional Rescission is available when the previous homestead is not occupied or rented, and is listed for sale. Please contact the Assessing Department if you think you qualify for the additional exemption. The forms are available online at chesterfieldtwp.org under the Assessing form links.

Why are my neighbor's taxes less than mine when we have the exact same house?

Sometimes it may appear that you have the same house, but on closer observation they may have a larger home, garage, deck, shed, lot etc., or your house may be newer by a few years. All of the aforementioned would affect the appraised value of your house and reflect a difference in your taxes. Also, if you purchased your home in the prior year, your taxable value would have been uncapped and you will be paying taxes on your State Equalized Value (SEV).

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

Suppose your neighbor purchased his home March 20, 2020 and his 2020 State Equalized Value (SEV) was 75,000 and his Taxable Value was 55,000. His July 2020 tax bill will be calculated based on the prior owner's taxable value of 55,000 for 2020 only. The year following the transfer the property becomes uncapped. Based on sales of homes in your neighborhood your neighbors new SEV for 2021 is 80,000. Because of Proposal "A" your neighbor's home became uncapped for tax year 2021 and his TV will be the same as his SEV for 2021. His July 2021 tax bill will be calculated using 80,000 TV instead of the prior year's 55,000.

In other words, since Proposal "A" passed, you can no longer compare property taxes with your neighbors. You can compare SEV, but remember to compare apples to apples. Items to compare would be square footage of the home, how many baths, is their basement finished, fireplace, garage, decks etc.

How are property taxes calculated?

Property Taxes = Taxable Value/1,000 x your local school district millage rate.