



## 2027 REVALUATION PROJECT: How will the Revaluation Affect Tax Rate?

One common erroneous comparison people often unknowingly make is to compare tax rates in one jurisdiction to another, say town to town, or school district to school district, without looking a bit deeper. If you have been following the revaluation news in Webster, you are probably aware that our assessed values are currently WELL below the current market value. Since tax rates are directly and inversely related to the tax jurisdiction's assessed values, low assessed values generate a higher tax rate, and vice versa. To understand this relationship let's take a closer look at how a tax rate is calculated and forecast the impact the revaluation will have on the tax rates in Webster.

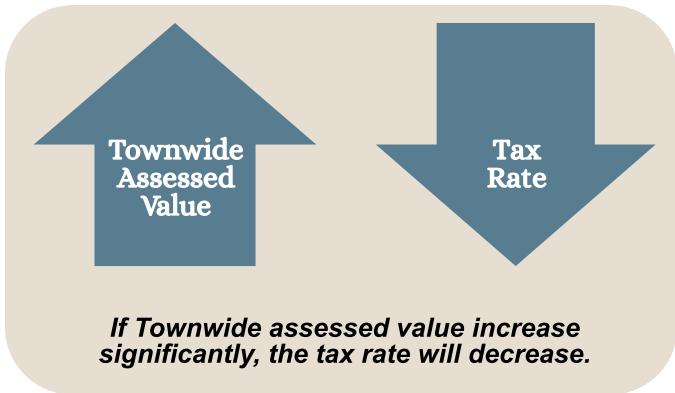
For this discussion, we will consider Town properties. The Town of Webster's tax rate in January 2025 was \$5.39. Tax rates are expressed at a rate per 1,000 of assessed value, or at a millage rate. This is sometimes written as \$5.39/m. Right away you see that it is "dollars per." Similar to the cost per square foot of a new construction, it is achieved by division. For example, consider the garage estimates below:

Cost of garage		Size		Cost per sq. ft.
\$16,800	÷	400	=	\$42
\$16,800	÷	576	=	\$29

Notice, if this garage is larger, but costs the same, the price per square foot decreases. Swap out the garage in this example for the town tax equation and the principle is the same. This example works because the Town can only collect the levy, which is limited in its growth by certain statutes, commonly called the tax cap.

To calculate the tax rate, two things are needed: the amount to be collected from the taxpayers to balance the town budget (after considering all other sources of income), called the tax levy; and, the assessed value (taxable) for the Town. The levy/assessed value - the tax rate. And just like in the example above for the garage,

if the value ("size") of the Town increases significantly, the resulting rate ("dollars per") must decrease.



Since the assessments are SO much lower than the current market value, we are anticipating that they will at least double. And since everyone's assessment will be increasing similarly and as dramatically, the math will be equally dramatic in decreasing fashion. As an isolated variable, the doubling of the value of the town (expressed in assessed value), will cause the rate ("dollars per") to be cut in half. This assumes that the levy and all other variables are stable, but let's look closer at this isolated variable.

The chart on the following page compares the actual 2026 tax rate calculation for Webster with how the same budget applied to current assessments translated or equalized to 100% would affect the tax rate.

To compare rates between towns whose rates are also expressed as being at 100% assessment, the rate is \$2.65. This is the reason one cannot compare tax rates between jurisdictions without understanding or compensating for the level of assessment. Similarly, Webster Central School District's 2025 tax rate of \$28.70 (at 48%) is actually \$13.77 at 100%. Notice, the rate, for both tax jurisdictions, is directly and inversely related to the level of the district's assessments. Higher assessments equals lower tax rates; lower assessments equal higher tax rates, such as in Webster's current circumstance.

	Assessments at this Percent of Market Value	Town Levy (\$)		Assessed value (taxable)		Tax Rate/m (Rounded)
2026 Actual	48%	17,836,202	÷	3,230,117.594	=	\$5.52
Equalized	100%	17,836,202	÷	6,729,411.654	=	\$2.65

For those who understand it well, it is no secret that there are many variables affecting the taxes that appear on the individual bills, including exemptions. Since the Town's expenses and levy vary from year to year, we know the math shown is just a demonstration of this principle in play. **The point is, someone who fears that taxes will double are projecting that the levy will also double; that is NOT going to happen!** And now you can confidently explain why not.

Below, find a few terms selected from our Revaluation webpage that you will want to remember as we watch the revaluation unfold. Start to familiarize yourself with these terms THIS budget year, for the Town, Village, County and School, and watch the interplay of these figures in action!

**Assessed Value:** The value placed on real property for the purpose of distributing taxes. See also Taxable Value.

**Tax Levy:** The amount of money to be raised by tax bills, after accounting for all other sources of income.

**Tax Rate / Millage Rate:** Expressed in "dollars per thousand", the tax rate, or millage rate, is determined by dividing the tax levy by the taxable value of the taxing jurisdiction, then dividing by 1,000.

**Taxable Value:** The value used for the calculation of taxes. It may be equal to or less than the assessed value if exemptions are applied to the property. See also Assessed Value.

For more terms and other resources, visit our webpage [websterny.gov/874/2027-Townwide-Revaluation-Project](http://websterny.gov/874/2027-Townwide-Revaluation-Project)