



### Study Tip

Property tax codes vary a lot throughout the United States. The time to check your local codes is *before* you move into a municipality. Exemptions also vary, even in neighboring municipalities.

### EXAMPLE 6 Analyzing the Value of an Exemption

Use the information below to determine how much the veteran pays for property tax and saves from the military exemption.

- A person is 30 years old and has been discharged from 8 years of service in the U.S. military.
- The person buys a home whose assessed value is \$75,000.
- The tax rate is 65 mills.
- The municipality has a 15% exemption (up to \$5000) for veterans.

### SOLUTION

The amount of the exemption is

$$\begin{array}{l} \text{Exemption rate} \quad \text{Assessed value} \\ \downarrow \qquad \qquad \downarrow \\ \text{Exemption} = 0.15(75,000) \\ = \$11,250. \end{array}$$

This exceeds the maximum, so the exemption is \$5000.

The property tax is

$$\begin{array}{l} \text{Tax rate} \quad \text{Assessed value} \quad \text{Exemption} \\ \downarrow \qquad \downarrow \qquad \downarrow \\ \text{Property tax} = 0.065(75,000 - 5000) \\ = \$4550. \end{array}$$

The tax savings from the \$5000 reduction in the assessed value is

$$\begin{array}{l} \text{Tax rate} \quad \text{Exemption} \\ \downarrow \qquad \downarrow \\ \text{Tax savings} = 0.065(5000) \\ = \$325. \end{array}$$

The veteran pays \$4550 for property tax and saves \$325 from the exemption.

### ✓ Checkpoint

Help at [Math.andYOU.com](http://Math.andYOU.com)

Use the information below to determine how much the veteran pays for property tax and saves with the military exemptions from age 26 to age 40.

- A person is 26 years old and has been discharged from 8 years of service in the U.S. military.
- The person buys a home whose assessed value is \$36,800.
- The tax rate is 95 mills.
- The municipality has a 10% exemption (up to \$4000) for veterans.

