

Definitions

Assessed Value: The value of a property for tax purposes as determined by a taxing entity.

Headlee Amendment: A 1978 amendment to the Michigan Constitution that automatically “rolls back” tax rates to the rate of inflation.

Headlee Override: A decision by voters to disregard the automatic Headlee “rollback”.

Mill: 1/1000th of a dollar (.001).

Millage Rate: The percentage of the value of real property approved for tax purposes, “rolled back” by the Headlee Amendment.

Proposal A: Passed in 1994, changed school funding from local property taxes to state-level taxes, principally the sales tax. Proposal A also capped tax increases to the lesser of the inflation rate or 5%.

Real Property: Land and structures on the land.

Taxable Value: One-half of the assessed (actual) value of the property, capped by Proposal A. This value is used for calculating real estate taxes by multiplying it by the millage rate, which is capped by the Headlee Amendment.