

Understanding Your Assessment

Assessed Value (AV)

The assessor is statutorily required to set an AV equal to 50% of the market value of your property.

State Equalized Value (SEV)

SEV is the AV adjusted following county and state equalization. The County Board of Commissioners and the Michigan State Tax Commission must review assessments by property classification and adjust (i.e., equalize) them if they are above or below the statutory 50% level of assessment. Typically, SEV is the same as AV.

Taxable Value (TV)

TV is the figure used to calculate your property taxes. Multiplying the TV by the millage rate, then dividing by 1,000 will determine your tax liability. TV increases/decreases from year to year by the rate of inflation or 5%, whichever is lower. Transfers of ownership, which “uncap” the TV, and improvements to the property can increase the TV more than the rate of inflation. TV cannot exceed the SEV for the property.

How is the AV determined?

To ensure properties are assessed uniformly and at 50% of market value, the Ingham County Equalization Department conducts annual sales and appraisal studies. These studies analyze the sale or appraised value of properties compared to their AV. Based on these studies, the assessor must increase or decrease values so that each class of property (e.g., residential, commercial, industrial, etc.) is at 50% market value. The 2023 residential sales study included sales from April 1, 2020 through March 31, 2022.

Residential sales data is then organized, by the assessor, into economic neighborhoods. For residential properties an economic neighborhood can be a single subdivision or a grouping of areas with similar characteristics. If the sales in an economic neighborhood indicate an increase or decrease in value, the AV of properties in that neighborhood are adjusted uniformly based on conclusions drawn from the sales.

A similar method is used to value commercial and industrial properties, although some commercial properties are also valued using an income approach. Personal property is assessed using personal property statements reporting the assets of a business. December 31, 2022 is situs day (i.e., "Tax Day") for property taxes in Michigan for 2023 assessments. All AV are determined as of that day.

Note: This material is intended as general information and should not be construed as legal advice. If you have specific legal questions, you should always consult an attorney.