

W Y M I N G

TAXFACTS

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P R O P E R T Y T A X

Understanding Property Taxes in Wyoming

If you own real estate in Wyoming, you pay property taxes on that property. Property taxes are applied to land and anything attached to the land, such as a home or other building, fence, or shed. Property taxes are an important source of funding for our local governments; however, because many homeowners have their property tax bill rolled into their monthly mortgage payment, it's easy to forget or ignore the annual bill that we pay. Even though we may not see the separate bill every month, it is important for property owners in Wyoming to understand the property taxes we pay and what our property taxes fund.

Property tax is an 'ad valorem' tax, which means it is based on the value of the thing being taxed, so the value of your property determines how much tax you pay; the greater the property value, the higher the tax.

Tax Districts

A tax district is a geographical area where a certain taxing authority has the right to levy, or collect, a tax. Taxing authorities include school districts, counties or cities, water districts, fire districts, and other



pecially formed districts that have been designated by state statute. These taxing authorities have a geographical boundary, or district, where they can levy a tax. Sometimes a tax district encompasses an entire city or county, but usually it divides a county into smaller areas for taxation purposes. For example, most counties in Wyoming have multiple school districts. Depending on where you live in a county, you fall within one specific school district's boundary. This determines which school you or your children attend, and it also determines which school district receives funds from

the property taxes you pay. Some tax districts even span multiple counties; for example, a hospital district might levy taxes on individuals residing within its boundary, which might include multiple counties.

What is a Mill Levy?

The simple definition of a “mill” is one one-thousandth ($1/1,000$, or 0.001). When we consider a “mill” in relation to property taxes, a mill is how much money someone pays for every thousand dollars of taxable property they own. Each taxing authority or tax district has a legal right to collect a certain number of mills on the property in its district and is subject to certain minimum and maximum limits of mills.

The “mill levy” is the total number of mills applied to the assessed value of property. Depending on where the property is located, it may fall into several distinct tax districts: a school district, community college district, fire district, weed and pest district, and so on. These tax districts, typically governed by a board of directors, determine their budgetary needs each year. Then they determine the mills necessary to provide the funds to meet their budget, and the county commissioners in that county approve the mill levies each year. The mill levy is the combined total of all of the mills charged by all the tax districts that have taxing authority in the area where your property is located.

The amount of your mill levy can change from year to year, depending on the mills set by each tax district annually. The total mill levy for residential property in Wyoming can vary greatly, from 65 to 80 mills, depending on where the property is located.

HERE'S AN EXAMPLE

Counties can charge a maximum of 12 mills, community college districts can charge a maximum of 10 mills, and a city or municipality can charge a maximum of 8 mills. Remember that one mill = $1/1000$ of a dollar, so 8 mills = $8/1,000$ of a dollar, and 12 mills = $12/1,000$ of a dollar.

Schools and school districts are required to charge a required minimum number of mills. In Wyoming, all districts assess 25 mills for operation costs of the district. In addition, 6 mills are required for county support of the school districts that lie within each county, and another 12 mills are required for the state school foundation fund. The county school mills and the foundation mills are collected and redistributed back to the districts based on a formula determined by the State Department of Education.



Market Value vs. Assessed Value

Mill levies are applied to the assessed value of property. In Wyoming, the “market value” and the “assessed value” are two very different amounts. Wyoming has a reduced level of assessment, which means taxes are not applied to the entire market value of the property, but instead to a reduced “assessed value.”

The level of assessment in Wyoming for residential property is 9.5%. So instead of being taxed on the full 100% value of property, we are instead taxed on 9.5% of the value of the property. So, if the market value of residential property is \$100,000, taxes are not assessed on the entire \$100,000 value. Instead, because of the 9.5% level of assessment, taxes are assessed on \$9,500 of value. The 9.5% reduced level of assessment applies to residential and commercial property; there are different levels of assessment for minerals, industrial and agricultural lands.

Remember that mill levies can only be calculated on assessed values of property. The amount of tax on residential property can vary greatly in Wyoming, since it is determined by the number of mills that apply to a particular property and the assessed value of that property.