

Getting to know your tax bill

Ryan G. Rieber, Superintendent

As a School District of West Salem Taxpayer, you have all by now received your annual property tax bill. Each year tax bills generate questions about assessments, mill rates, and percentage of change. I would like to take this opportunity to provide some insight into the complexities of the levy process, offer a review of the categories listed on the tax bill, and provide some information as to how each bill is determined. For purposes of this example, I will refer to the sample 2021 Property Tax Bill included on the next page.

The **Assessed Value** of a taxpayer's property is determined by the local assessor. The assessed value is used to determine the property owner's share of the municipality's total value and ensures fair taxing within the municipality. The assessed value for the included sample property is listed as item A and totals \$227,700. The **Estimated Fair Market Value** of the property, item B totaling \$264,600, is the amount used by the state to "equalize" property values and is based upon sales of similar properties within the municipality. This is to try to ensure a fair property tax system between different municipalities within the same school district and as part of the state equalization aid formula. The **Assessment Ratio**, item C or .86072, is the factor used to adjust local assessments. It is applied as follows: Assessed Value divided by Assessment Ratio = Fair Market Value. The mathematics for the sample property are $\$227,700 / .86072 = \$264,545.96$. Please note this fair market calculation is fairly close to the state estimated fair market value noted as item B totaling \$264,600. This is recalculated each year based upon the updated fair market value and any changes in assessment.

The **Estimated State Aid Allocated to Tax District** is provided to ensure local property tax payers fully realize the amount of state aid provided to the "taxing jurisdiction" on behalf of the municipality. Item E on the sample tax bill indicates the West Salem School District received \$6,663,001 in state aid on behalf of the Village of West Salem. This amount seems reasonable when you consider the school district received a total of \$12,356,267 in equalized state aid in 2021. The Village makes up about 46% of the school district, and therefore benefits from approximately 46% of the state aid.

The total tax levy owed to the school district for any property is calculated by combining the net tax and the levy credit. The **2021 Net Tax** is the amount of tax paid by the property owner to the various taxing jurisdictions. For this sample property, this is labeled as item F and totals \$2,042.70 and the **School Tax Levy Credit**, which is the statewide credit used to lower school district property taxes, is item D and totals \$378.99. Notice that the total levy amount credited to the school district for this sample property is the sum of these two numbers or \$2,421.69. This amount is not labeled because it does not appear on the tax bill. In other words, the "**total school district tax levy**" for this particular property in 2021 was \$2,421.69. The homeowner contributed \$2,042.70 and the State of Wisconsin paid the other \$378.99 in the form of a "levy credit" as listed on the tax bill.

The **Levy Credit** is something that is important for us all to understand. This has been a questioned item in state politics and one costing the School District of West Salem taxpayers. How can this “credit” cost you money? If state funding designated for the credit was placed into the equalized aid formula as designed, the state aid amount of \$6,663,001 credited to the Village of West Salem would be considerably higher and would result in a much lower school tax levy for all village residents. If this is the case, why have a levy credit system? The answer is the influence of “property wealthy” districts. For taxpayers that reside in these districts, the levy credit is a benefit, which lowers their tax bills considerably. The levy credit undoes the “Robin Hood” effect of the equalized state aid formula, profits districts who otherwise receive very little state aid, and penalizes school districts like West Salem who receive a higher portion of state aid. The word credit here is misleading. For West Salem, this “credit” ends up being a tax increase.

What about the **School District Mill Rate**? The school district mill rate is the ratio between the total school district levy amount and the total value of all school district property. It does not appear on the tax bill. For the tax year 2021, the school district levy was \$9,950,735 and the total school district value was \$1,087,009,446 resulting in a mill rate of .009154. The mill rate is often used to formulate an estimated tax levy for individual property – it is just that, an estimate. The **mill rate levy estimate** for the attached sample property: \$227,700 (assessed value) divided by .8607 (assessment ratio) times .009154 (mill rate) equals an estimated levy of \$2,421.71.

The **First Dollar Credit**, item G at \$68.66 and the **Lottery Credit**, item H at \$243.50 are direct “after tax” credits that lower the tax burden of individual taxpayers – all good news. These two credits are included as part of state education spending in the state budget. When looking at this tax bill, these two credits reduce total property taxes, not just school taxes. Listing these credits in the budget as contributions to education is a little misleading.

Your tax bill also includes additional information about school referendums. It is related to the principal and interest payments towards the school districts approved Fund 39 borrowings and our expiring non-recurring referendum. The amounts listed in item I are the Village of West Salem’s share which is split up proportionally by the municipalities within our school district. In looking at the sample tax bill and item I, you will see four separate referenda questions and the taxes attributed to each of these. For your reference, item number 4012 is the outdoor sports facilities, item number 4011 is the middle school, item number 4466 is related to our auto shop, and 4820 is related to our current expiring non-recurring referendum amount. This is higher than normal due to the additional million dollars that was applied to debt services for the 2021-22 school year.

Our school district vision asserts “Business operations are founded upon a commitment to good stewardship of resources and transparent communication with parents and community members.” That said, I offer my appreciation for your generous support of the School District of West Salem and my promise that we will make the most of every penny.

Thank you for reading.

STATE OF WISCONSIN

PROPERTY TAX BILL
La Crosse County

Village of West Salem

2021 Real Estate

Bill Number [REDACTED]



Correspondence should refer to Tax Parcel [REDACTED]

IMPORTANT: See reverse side for important information.

Be sure this description covers your property. This description is for property tax bill only and may not be a full legal description.



[REDACTED]
WEST SALEM WI 54669

Assessed Value Land	Ass'd Value Improvement	Total Assessed Value	Assessed Woodland	Ave Assmt Ratio	Net Assessed Value	
46 700	181 000	227 700	0	86 0729081	0 018717688	
Est Fair Mkt Land	Est Fair Mkt Improvement	Total Est Fair Mkt	Est Fair Mkt Woodland	School Taxes reduced by school levy tax credit	Rate (Does NOT reflect credit)	
54 300	210 300	264 600	0	378 99	A Star in this box means unpaid prior year tax	
Taxing Jurisdiction	2020	2021	2020	2021	% Tax Change	Net Property Tax
	Est State Aids	Est State Aids	Net Tax	Net Tax		
	Allocated Tax Dist	Allocated Tax Dist				
La Crosse County	254 499 00	250 761 00	891 64	876 87	1 70	
NESHONOC LD	0 00	0 00	124 17	132 27	6 50	
Local Municipality	532 360 00	525 262 00	845 54	873 75	3 30	
WEST SALEM SCHOOL	6 431 140 00	6 663 001 00	1 994 98	2 042 70	2 40	
WTC	469 180 00	493 744 00	347 58	336 42	3 20	
		Total	4,203.91	4,262.01	1.40	
		First Dollar Credit	67 77	68 66	1 30	
		Lottery Credit	166 07	243 50	46 60	
		Net Property Tax	3,970.07	3,949.85	-0.50	

FOR INFORMATIONAL PURPOSES ONLY Voter Approved Temporary Tax increases

Taxing Jurisdiction	Total Additional Taxes	Applied to Property	Year
W S SCHOOL RF 4012	\$540 497 44	\$277 63	2027
W S SCHOOL RF 4011	\$613 084 17	\$314 92	2037
W S SCHOOL RF 4466	\$92 230 20	\$47 38	2022
W S SCHOOLRF4820	\$861 396 75	\$442 47	2022

On or prior to 01/31/22

Make Check Payable to:
Village of West Salem
Treasurer
175 LEONARD ST
WEST SALEM WI 54669

After 01/31/22

Make Check Payable to:
LaCrosse County Treasurer
212 6TH ST N
LA CROSSE WI 54601

Total Due For Full Payment

Pay By 01/31/22 3,949.85

Installment Options

DUE DATE	AMOUNT
01/31/22	1 853 18
07/31/22	2 096 67

WARNING: If not paid by due dates installment option is lost and total tax is delinquent subject to interest and if applicable penalty.
Failure to pay on time. See reverse.

To receive receipt enclose a self addressed stamped envelope
All payments can be seen at www.lacrossecounty.org

REMIT THIS WITH FULL PAYMENT OR 1ST INSTALLMENT

2021 Real Estate Bill Number [REDACTED]

Correspondence should refer to number

Tax Parcel [REDACTED]

Village of West Salem



FULL PAYMENT 3,949.85 BY 01/31/22

OR

FIRST INSTALLMENT 1,853.18 BY 01/31/22

[REDACTED]
WEST SALEM WI 54669

