



Sample Calculation of Benefits – Industrial Property Tax Exemption

Assuming Project XYZ invests \$100,000,000 of taxable property in the project. The assessed value of those improvements is 15% of the fair market value, or \$15,000,000.

With a local property tax rate of 100.00 mills, Project XYZ's annual property tax liability is \$1,500,000. Under the Industrial Property Tax Exemption Program, the liability can be abated for up to 10 years for a total of \$15,000,000.

Sample Calculation

Fair market value of improvements	\$100,000,000
Assessment factor	15%
Value of improvements for tax purposes	\$15,000,000
Local property tax rate (100.00 mills)	10.00%
Local annual property tax liability	\$1,500,000
Annual Exemption	\$1,500,000
Total exemption over 10 years	\$15,000,000