# An Increase in Value Does NOT Equate to a Direct Increase in Taxes

Example:
City had $10,000,000 of value. City asked for $10,000 of taxes last year. City's levy was $1.00.
*Property of $150,000 → paid $150 in taxes.*

---

Assessor increases values by 50% as required by the market. City now has $15,000,000 of value. City increases their tax request by growth + cpi * (total of 5%), making their request $10,500. City's levy is now $0.700.

*Property is now assessed at $225,000 → pays $157.50 in taxes.*

---

**Taxes <u>did</u> increase. BUT the increase was due to the 5% increase in the tax call...not the 50% increase in value.**

*State law limits the amount of property taxes that all local governments, except schools, can collect from their property owners. These local governments are limited to the amount of property taxes they collected last year, plus an increase for inflation and for new construction.