How to Calculate the First Dollar Credit

The “Calculated Equalized Value” is rounded to the nearest $100 and equals the “Total Est. Fair Mkt” value from the property tax bill.

**Step 1 – Obtain the Maximum Credit Value (MCV)**
- In late November, the Wisconsin Department of Revenue (DOR) provides municipalities with the MCV for the First Dollar Credit
- **Example:** MCV = $3,000

**Step 2 – Calculate the Equalized Value**
- Divide the Assessed Value of the property (improvement plus land value) by the Assessment Ratio
- DOR certifies the Assessment Ratio
- **Example:** Assessed Property Value/Assessment Ratio = Calculated Equalized Value  ($290,400/0.7900 = $367,600)

**Step 3 – Determine Credit Value**
- Compare the Calculated Equalized Value to the MCV
- **Lower** of these two amounts is the Credit Value
- **Example:**
  - MCV = $3,000; Calculated Equalized Value = $367,600
  - **Credit Value** = $3,000 (since the MCV is the lower amount)

**Step 4 – Calculate First Dollar Credit**
- Multiply the Equalized Value School Tax Rate by the Credit Value (from Step 3)
- DOR certifies the Equalized Value School Tax Rate
- **Example:** Equalized Value School Tax Rate X Credit Value = First Dollar Amount  (0.01064902 X $3,000 = $31.95)
- **Note:** For K-8 Union High Schools, combine the two rates then multiply it by the Credit Value. The First Dollar Credit is based on school taxes for grades K-12.