



Tax Notice Explained

The Truth in Taxation notice (below) is being published as required by state law. The required published notice only addresses one portion of the city's property tax bill, the primary property tax. When combined with the secondary property tax portion, the typical homeowner will actually see a decrease in the total amount paid in city property taxes. In fact, Phoenix's total property tax collection will be reduced by nearly \$27 million in 2012-13.

The primary portion of the property tax supports the city's General Fund to operate bond funded facilities and pay for city services such as police and fire protection, parks and recreation programs, libraries and community centers. The secondary portion of the property tax is used to pay for the bonds, which were approved by Phoenix voters.

Phoenix's property tax rate is \$1.82 per \$100 of assessed value. This rate has not changed in 16 years. As a result of maintaining the combined \$1.82 rate and a decline in property values, the total amount of property taxes paid by residents to the city has been reduced by \$125 million, or 43% since 2009-10.

Due to the decreases in property values and as a result of prudent City Council actions, the average Phoenix home owner will see their total city property tax bill reduced from \$397 in 2009-10 to \$226 in 2012-13. Individual experiences may be different based on property value fluctuations over time in individual neighborhoods.

The following table shows the city primary and secondary tax rates for the last three years.

Property Tax Rate per \$100 of Assessed Valuation

	2010-11	2011-12	2012-13
Primary Rate	\$0.8832	\$1.0542	\$1.2397
Secondary Rate	<u>0.9368</u>	<u>0.7658</u>	<u>0.5803</u>
Total Combined Rate	\$1.8200	\$1.8200	\$1.8200

State law requires Phoenix to publish a notice any time there is an increase to the primary portion of the property tax bill, even if the total property tax bill is reduced. This explanation clarifies that the entire property tax amount will decrease in 2012-13 from the prior year by nearly \$27 million.

For more information about this property tax notice, call 602-262-4800.

TRUTH IN TAXATION HEARING NOTICE OF TAX INCREASE

In compliance with section 42-17107, Arizona Revised Statutes, the city of Phoenix is notifying its property taxpayers of the city of Phoenix's intention to raise its primary property taxes over last year's level. The city of Phoenix is proposing an increase in primary property taxes of \$2,625,220 or 2.0 percent.

For example, the proposed tax increase will cause the city of Phoenix's primary property taxes on a \$100,000 home to increase from \$121.54 to \$123.97.

The proposed increase is exclusive of increased primary taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held June 19, 2012 at 2:30 p.m. at the city of Phoenix Council Chambers, 200 W. Jefferson St.

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