

## GLOSSARY

- Assessed Value: the value placed on property for ad valorem tax purposes and used as a basis for distribution of the tax burden. This amount is subject to the state-issued equalization factor and deduction for certain homestead exemptions.
- Board of Review: the local entity that reviews assessment appeals and equalizes assessments within the county. In most township counties, three persons appointed by the county board comprise the board of review. In a few township counties, board of review members are elected. In commission counties, the county commissioners are also the board of review members (unless they appoint the board of review).
- Classification: the practice of classifying various types of property according to use and assigning different assessment levels to each class. Its purpose is to tax various types of property at different effective tax rates, though the nominal rate is the same.
- Equalization: the application of a uniform or blanket percentage increase or decrease to assessed values of various areas or classes of property to bring assessment levels, on average, to a uniform level of the market value.
- Equalized Assessed Value: the assessed value multiplied by the state-certified equalization factor; the result is the value from which the tax rate is calculated after deducting homestead exemptions, if applicable. For farm acreage, farm buildings, and coal rights, the final assessed value is the equalized assessed value. Also, tax bills are calculated by multiplying the equalized assessed value by the tax rate.
- Extension: 1.) The process in which the county clerk determines the tax rate needed to raise the revenue (levy) certified by each taxing district in the county; 2.) The actual dollar amount billed to property owners in a taxing district.
- Levy: the amount of money a taxing body certifies to be raised from the property tax.
- Overlapping Taxing Districts: those taxing districts located in more than one county.
- Tax Code: a number used by the county clerk that refers to a specific combination of taxing bodies.
- Tax Rate: the amount of tax due stated in terms of a percentage of the tax base. Example: \$6.81 per \$100 of equalized assessed valuation (equal to 6.81%).

Taxing Body/ District:

a local governmental unit that levies a property tax; the territorial area under a taxing body's jurisdiction.