

2003 Tax Distribution
based on a taxable value of 1,000,000

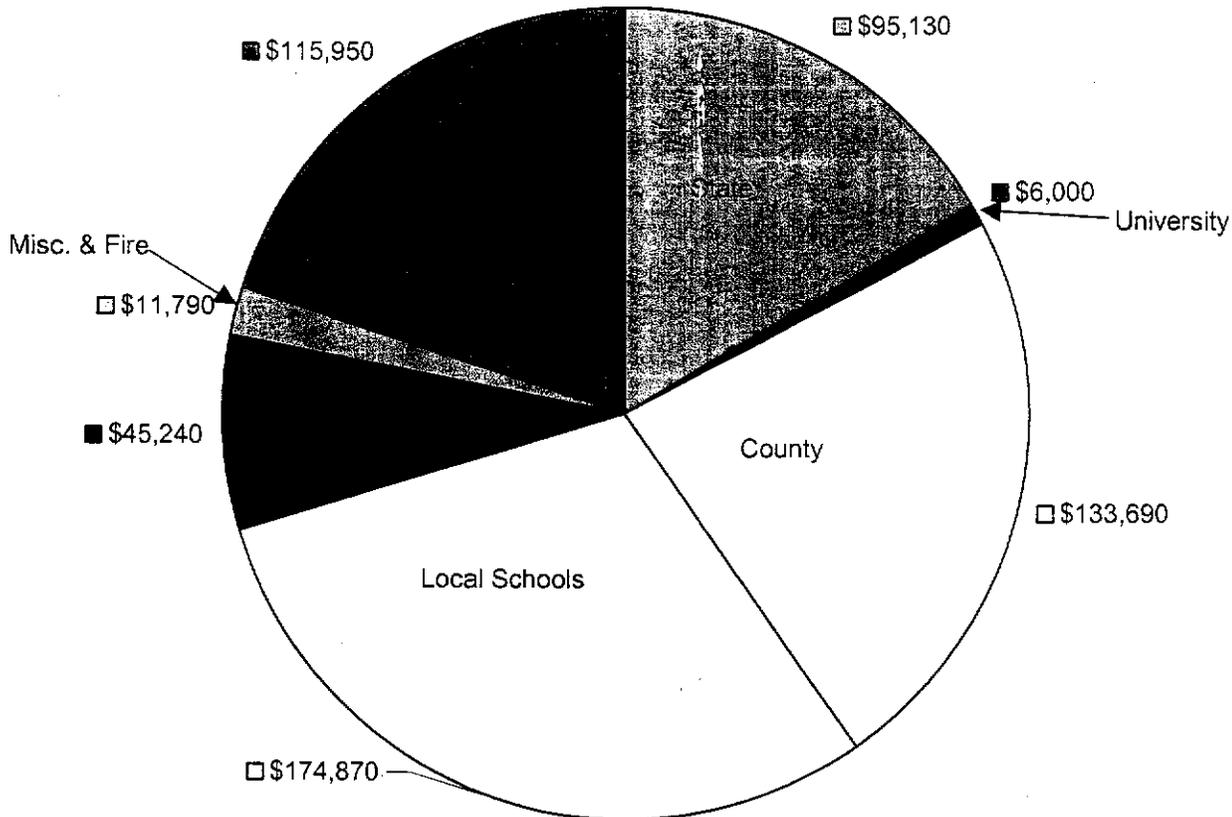
Chart #1

SENATE TAXATION

EMEND NO. 3

DATE 2-16-05

BILL NO. NA

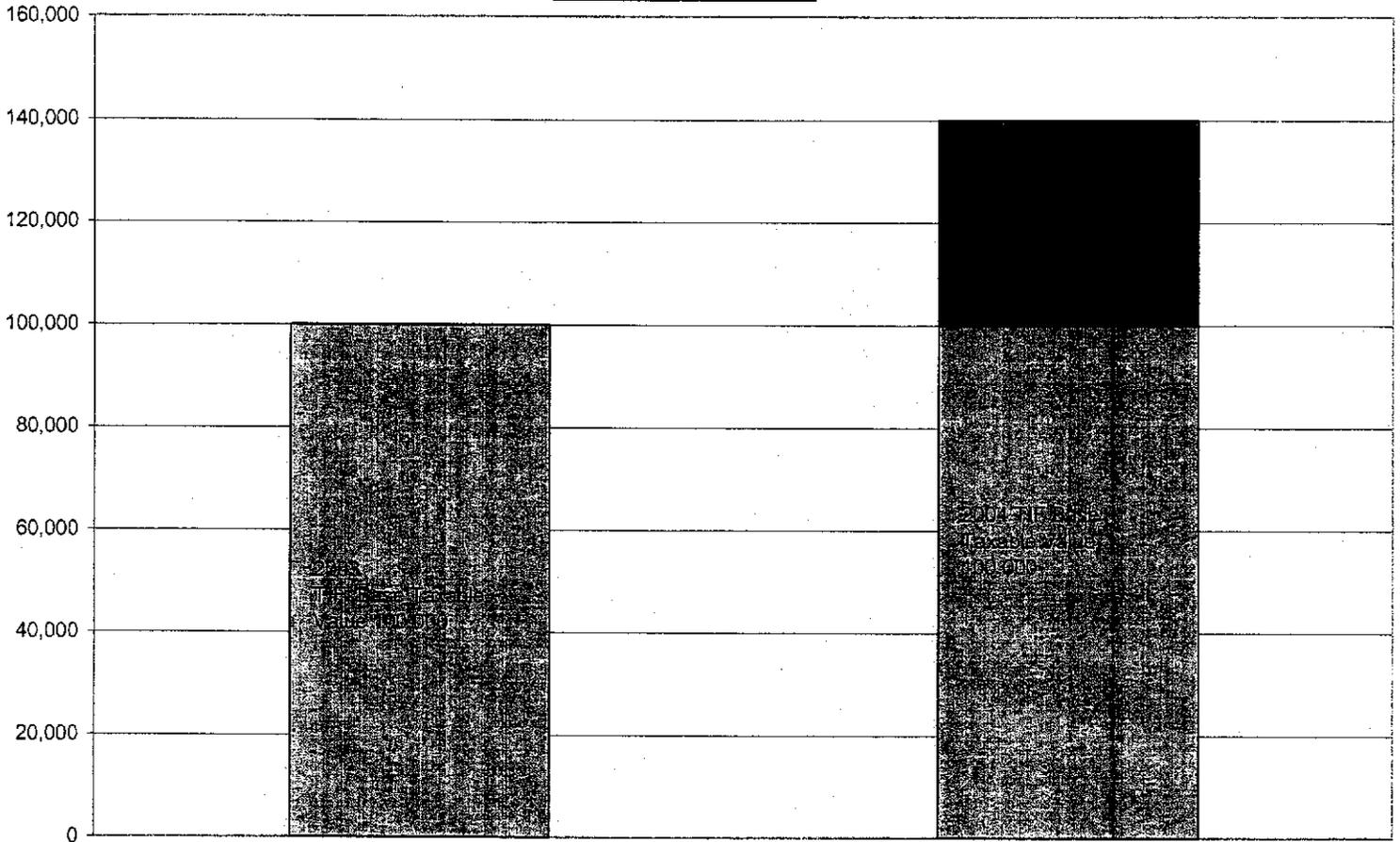


Base value of increment district is established in 2003, base value tax dollars are distributed to the various districts.

City of Jonesville creates a tax increment district in 2003. The taxable values of the properties within the tax increment boundary establishes the base value of the tax increment district. The tax dollars levied on the properties within the tax increment are distributed to the various taxing jurisdictions.

- "Actual taxable value" means the taxable value of taxable property at any time, as calculated from the assessment roll last equalized
- "Base taxable value" means the actual taxable value of all taxable property within an urban renewal area, industrial district, or aerospace transportation and technology district prior to the effective date of a tax increment financing provision.
- "Incremental taxable value" means the amount, if any, by which the actual taxable value at any time exceeds the base taxable value of all property within an urban renewal area, industrial district, or aerospace transportation and technology district subject to taxation.

2004 Tax Increment District Base Taxable Value and Incremental Value
Reported Chart #2

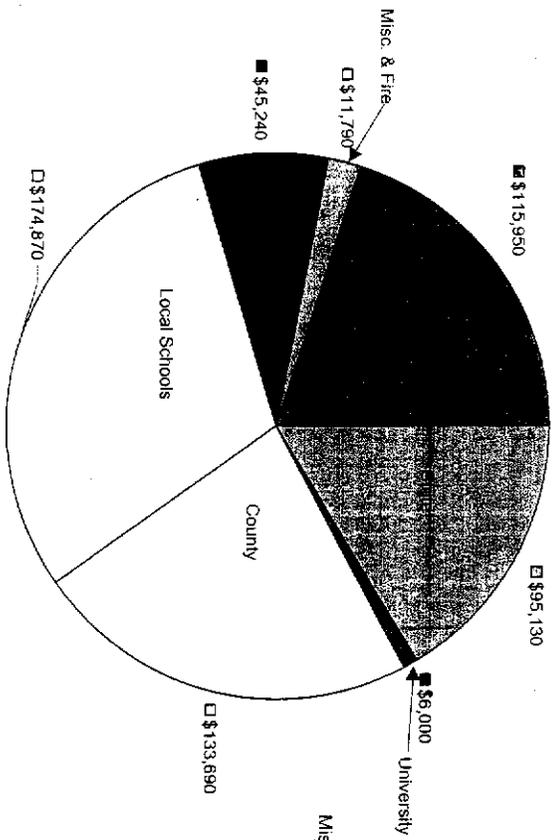


For 2004 Dept. of Revenue reports

- 2004 City Jonesville Taxable Value (includes the taxable value of the tax increment district) = 1,050,000
- 2004 Jonesville Tax Increment District Base Taxable Value = 100,000
- 2004 Jonesville Tax Increment District Incremental Value = 40,000

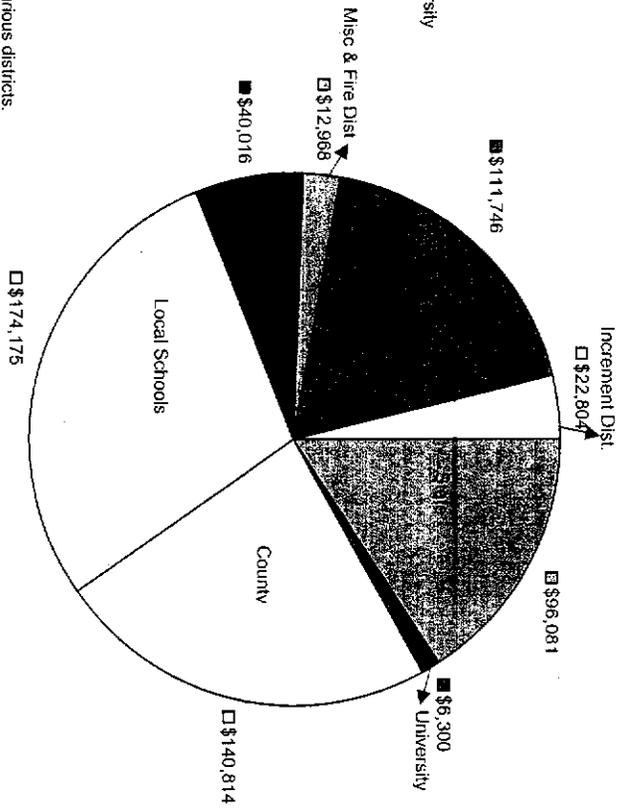
This chart provides a comparison of the 2003 and 2004 tax increment values.

2003 Tax Distribution
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Chart #1



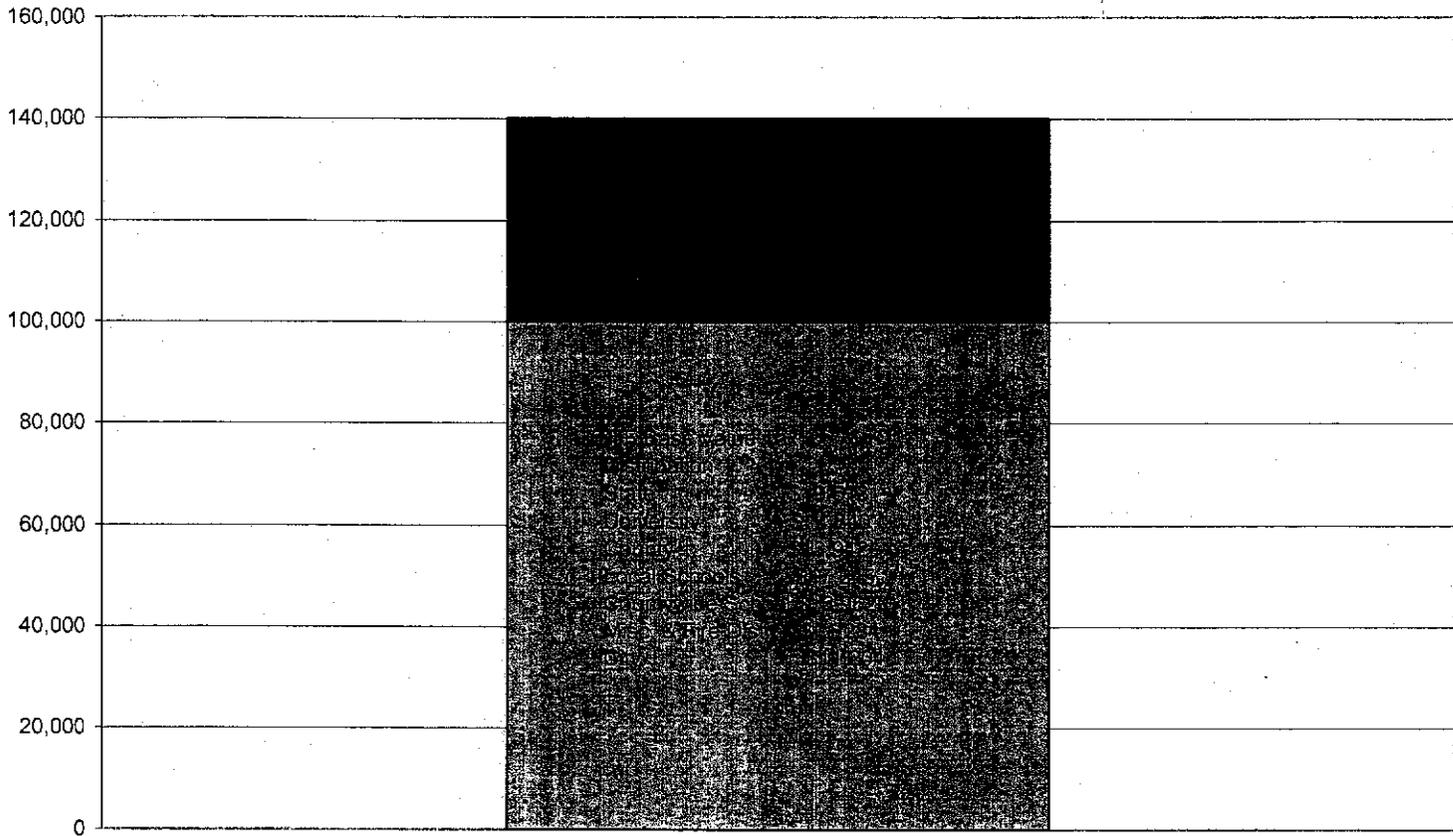
Base value of increment district is established in 2003, base value tax dollars are distributed to the various districts.

2004 Tax Distribution
based on a taxable value of 1,010,000
Chart #3



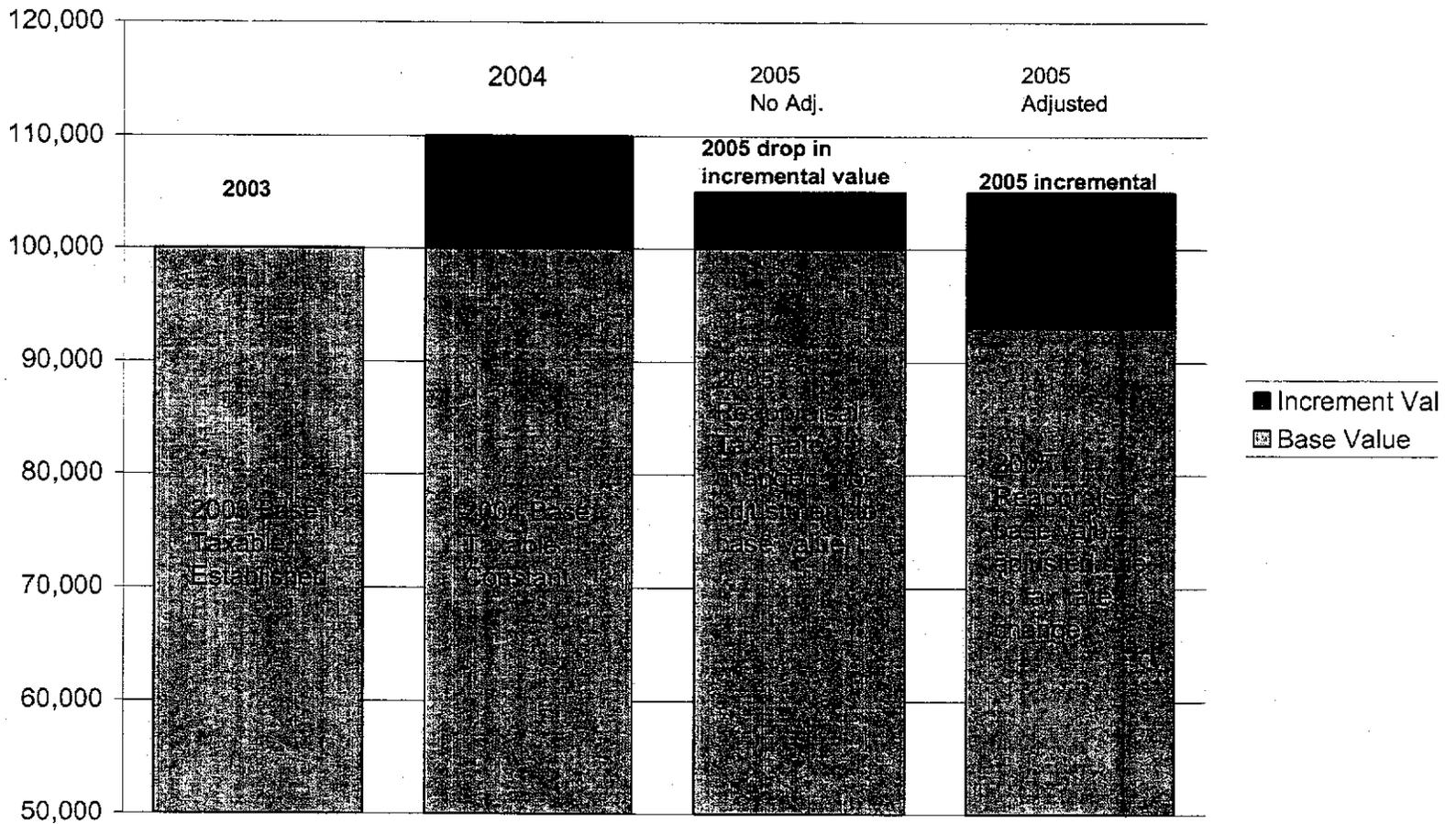
The above charts demonstrate the distribution of taxes for 2003 and 2004. In 2003 the taxes were distributed only to the various taxing jurisdictions. In 2004 the increment district receives revenue based on the increment value established. In order to raise the revenue to the 2003 level, the local taxing jurisdictions need to raise the mill levy applied.

2004 Tax Distribution of the Tax Increment District
Chart #4



The total taxable value of the tax increment district is 140,000, the base taxable value is 100,000. The base taxable value gets distributed to all taxing jurisdictions. Only the 40,000 incremental value creates revenue for use by the tax increment district.

Adjustment due to statutory changes
Chart #5



An example of an adjustment for statutory changes would be a tax rate change due to a reappraisal. In effect the base value would be lowered to provide a higher incremental value to cover bonds that have been issued.