

EXAMPLES

The following is a compilation of various assessment scenarios that could be similar to your particular situation:

(The inflation rate multiplier is determined annually by the State Tax Commission. A 1.027 multiplier has been used in the following examples)

Example A

**You Purchased a New Home**

Last year, you purchased a new home valued at \$400,000 (true cash value) with Assessed Value (AV) and State Equalized Value (SEV) both at \$200,000 and Taxable Value (TV) of \$120,000.

A study of sales in the neighborhood shows true cash value of the property has increased to \$420,000 for the current year.

**Current year:**  
Assessed Value (AV) is (1/2 of \$420,000).....\$210,000  
SEV (tentative) is.....\$210,000

Value is “uncapped” the year following an ownership transfer (sale) of a property, the Taxable Value will be the same as the State Equalized Value.

Taxable Value (TV) is .....\$210,000

**It is important to note that a property does not uncap to the selling price but to the SEV in the year following the transfer of ownership.**

Example B

**You Added a Family Room to Your Home**

Last year, your home valued at \$400,000 had a \$200,000 SEV, and a Taxable Value (TV) of \$120,000. You added a family room addition valued at \$40,000 (true cash value).

A study of sales in the neighborhood shows the true cash value of your property (with the addition) has increased to \$420,000.

**Current Year:**  
Assessed Value (AV) is (1/2 of \$420,000).....\$210,000  
SEV (tentative) is.....\$210,000  
Capped Value (CV) is  
[((\$120,000 x 1.027) + 50% of \$40,000)].....\$143,240

Taxable Value,  
the **lesser** of SEV or CV, is.....\$143,240

Example C

**You Made NO Changes to Your Property**

**Increased SEV / TV Increase**

Last year, your home valued at \$400,000 (true cash value) had a \$200,000 State Equalized Value (SEV), and a Taxable Value (TV) of \$120,000.

A study of sales in the neighborhood shows your property true cash value has increased to \$420,000 for the current year.

**Current Year:**  
Assessed Value (AV) is (1/2 of 420,000).....\$210,000  
SEV (tentative) is.....\$210,000  
Capped Value (CAP) is (\$120,000 x 1.027).....\$123,240

Taxable Value, the **lesser** of SEV or CV, is.....\$123,240

Example D

**Decreased SEV / TV Increase**

Last year, your home valued at \$400,000 (true cash value) had a \$200,000 State Equalized Value (SEV), and a Taxable Value (TV) of \$120,000.

A study of sales in the neighborhood shows your property true cash value has decreased to \$380,000 for the current year.

**Current Year:**  
Assessed Value (AV) is (1/2 of \$380,000).....\$190,000  
SEV (tentative) is.....\$190,000  
Capped Value (CV) is (\$120,000 x 1.027).....\$123,240

Taxable Value, the **lesser** of SEV or CAP, is.....\$123,240

Example E

**Decreased SEV / TV Decrease**

Last year, your home valued at \$400,000 (true cash value) had a \$200,000 State Equalized Value (SEV), and a Taxable Value (TV) of \$190,000.

A study of sales in the neighborhood shows your property true cash value has decreased to \$375,000 for the current year.

**Current Year:**  
Assessed Value (AV) is (1/2 of \$375,000).....\$187,500  
SEV (tentative) is.....\$187,500  
Capped Value (CV) is (\$190,000 x 1.027).....\$195,130

Taxable Value, the **lesser** of SEV or CV, is .....\$187,500

ADDITIONAL RESOURCES

**White Lake Treasurer’s Office**  
248-698-3300 ext. 4  
[www.whitelaketwp.com/treasurer](http://www.whitelaketwp.com/treasurer)

**Oakland County Treasurer’s Office**  
248-858-0611  
[www.oakgov.com/treasurer](http://www.oakgov.com/treasurer)

**Oakland County Health Division**  
248-858-1280  
[www.oakgov.com/health](http://www.oakgov.com/health)

**Oakland County Register of Deeds**  
248-858-0581  
[www.oakgov.com/clerkrod](http://www.oakgov.com/clerkrod)

**Oakland County Road Commission**  
877-858-4804  
[www.rcocweb.org](http://www.rcocweb.org)

**Michigan State Tax Commission**  
517-335-3429  
[www.michigan.gov/statetaxcommission](http://www.michigan.gov/statetaxcommission)

**Michigan Principal Residence Exemption Unit**  
517-335-7487

**U.S. Department of Veterans Affairs**  
800-698-2411  
800-827-1000  
[www.VA.gov](http://www.VA.gov)



A guide to your 2026 property taxes and Proposal “A”

On March 15, 1994, Michigan voters approved the constitutional amendment known as Proposal “A”. Prior to Proposal “A”, property tax calculations were based on State Equalized Value (SEV).

Proposal “A” established “Taxable Value” (TV) as the basis for the calculation of property taxes. Increases in Taxable Value (TV) are limited to the percent of change in the rate of inflation or 5%, whichever is less, as long as there were no losses or additions to the property. The limit on TV does not apply to a property in the year following a transfer of ownership (sale).

**White Lake Township Assessing**  
**248-698-3300 ext. 3**  
[www.whitelaketwp.com/assessing](http://www.whitelaketwp.com/assessing)

WHAT IS ASSESSED VALUE?

The Michigan Constitution requires that property be uniformly assessed and not exceed 50% of the usual selling price, often referred to as True Cash Value. Each tax year, the local assessor determines the Assessed Value (AV) of each parcel of real property based on the condition of the property as of December 31 (Tax Day) of the previous year.

WHAT IS STATE EQUALIZED VALUE?

The State Equalized Value (SEV) is the Assessed Value as adjusted following county and state equalization. The County Board of Commissioners and State Tax Commission must review local assessment jurisdictions and adjust (equalize) them so that they do not exceed 50% of True Cash Value.

WHAT IS “CAPPED VALUE”?

“Capped Value” is the value established when the TV of the prior year, with adjustments for additions and losses, is multiplied by the Inflation Rate Multiplier (IRM). The multiplier is capped and cannot be greater than 1.05 (1 + 5%). It represents the change in the rate of inflation during the previous year. The final product is Capped Value (CV).

**The Capped Value limitation on Taxable Value does not apply if you purchased your home last year.**

Capped Value =  
(Prior TV – Losses ) x (IRM)\* + Additions  
  
\* Percent of change is the rate of inflation or 5%,  
whichever is less, expressed as a multiplier

CALCULATING THE INFLATION RATE MULTIPLIER

Based on this statutory requirement, the calculation for 2026 is as follows:

1. The 12 monthly values for October 2023 through September 2024 are averaged.
2. The 12 monthly values for October 2024 through September 2025 are averaged.
3. The ratio is calculated by dividing the average of column 2 by the average of column 1.

2025 Calculations		
FY 2023 - 2024		FY 2024 - 2025
Oct-23	307.671	Oct-24 315.664
Nov-23	307.051	Nov-24 315.493
Dec-23	306.746	Dec-24 315.605
Jan-24	308.417	Jan-25 317.671
Feb-24	310.326	Feb-25 319.082
Mar-24	312.332	Mar-25 319.799
Apr-24	313.548	Apr-25 320.795
May-24	314.069	May-25 321.465
Jun-24	314.175	Jun-25 322.561
Jul-24	314.540	Jul-25 323.048
Aug-24	314.796	Aug-25 323.976
Sep-24	315.301	Sep-25 324.800
Average	311.581	Average 319.997

Ratio	1.027
% Change	2.7%

WHAT SALES INFORMATION IS USED IN DETERMINING ASSESSMENTS?

A 24 month sales study is performed in order to determine property assessments. The timeframe of the sales study, determined by the State Tax Commission, is detailed below for this year:

2 Year Sales Study Timeframe:  
  
April 1 to March 31  
  
2023 2025

HOW ARE PROPERTY VALUES DETERMINED?

Market sale transactions for real property are used by Michigan assessors to compare assessed values (AV) with the actual sale prices (market values) for those same properties. Market value can be defined as the most probable price, as of a specific date, where both buyer and seller are knowledgeable and neither is under duress. The average ratio between the AV and the sale price should be 50%. Since the market for real estate constantly changes, the average ratio actually found will usually not be 50%. Local assessors are required to reestablish the 50% ratio on an annual basis.

NOTICE OF ASSESSMENT

Each year, prior to the March meetings of the local boards of review, informational notices are mailed. The “Notice of Assessment, Taxable Valuation, and Property Classification” also includes State Equalized Value, the percent of exemption as a Principal Residence, Michigan Business Tax, or Qualified Agricultural Property, and if there was or was not a Transfer of Ownership.

WHAT HAPPENS WHEN YOU PURCHASE A PROPERTY?

When a property, or interest in a property, is transferred, the following year’s State Equalized Value (SEV) becomes that year’s Taxable Value (TV). In other words, if you purchase property, your Taxable Value for the following year will be the same as the SEV. The Taxable Value will then be “capped” for the second year following the transfer of ownership.

WHAT IS A PRINCIPAL RESIDENCE EXEMPTION?

If you own and occupy your home as your principal residence, it may be exempt from a portion of local school operating taxes. On your “Notice of Assessment”, review your percentage of principal residence exemption.

To claim an exemption for the current year, you must own and occupy your home and file a “PRE Affidavit” with your city or township by June 1 for the immediately succeeding summer tax levy and all subsequent tax levies or by November 1 for the immediately succeeding winter tax levy and all subsequent tax levies.

MARCH BOARD OF REVIEW

If you believe the Assessed Value is more than half the value of your property you may appeal the Assessed and/or Taxable Values at the March Board of Review. You can obtain information about the specific meeting dates and schedule an appearance with the Board of Review by contacting our Assessing Office.

POVERTY EXEMPTIONS

As required under the General Property Tax Act, this program is available to Residential property owners who meet the policy guidelines. Annual application for this exemption is required with documentation supporting eligibility. This program may reduce or eliminate tax liability and guidelines are updated annually.

DISABLED VETERANS EXEMPTION

If you are an honorably discharged veteran with a service related disability or the surviving spouse of an eligible veteran, you may reach out to the Assessing Office to obtain eligibility requirements for the Disabled Veterans Exemption.