Annual property taxes are in two equal installments, six months apart. What would be the amount due for each installment with value assessed at $125,000 using a rate of .95 per $100 of value (mill rate of 9.50)?

Solution.

The mill rate is based on "mills"; as each mill is one-thousandth of a currency unit; one mill is equivalent to one-tenth of a cent or $0.001.

We have a property with an assessed value of $125,000 that is located in a jurisdiction with a mill rate of 9.5. So the property tax levied would therefore be:

$$\$125000 \cdot 9.5 \cdot 0.001 = \$1187.5$$

Answer: $1187.5.