Sample Calculation of Homestead Credit for Manufactured or Mobile Homes Taxed Using the Depreciation Method

Greater of Cost to Owner or Market Value at Purchase	$60,000
Assessed Value (40% of cost or market value)	$24,000
Depreciation schedule adjustment (see comment #1,below)	60%
Depreciated Assessed Value	$14,400
Full Tax Rate	60 mills

1. Gross Taxes	$864.00
2. Homestead Credit	$360.00
3. Net Tax for Year	$504.00

Sample Calculations:
1. $14,400 x .06 = $864.00
2. $25,000 x 0.40 x .60 X .06 = $360.00
3. $864.00 - 360.00 = $504.00

Comments:
1. The taxable value of a manufactured or mobile home taxed using the depreciation method is 40% times the "cost to the owner, or market value at the time of purchase, whichever is greater," times a percentage from one of two depreciation schedules, depending on whether the home was purchased furnished or unfurnished. The applicable percentage is the one that corresponds to the year of ownership by the current owner. In this example, the home was purchased furnished and the current owner is in his fifth year of ownership.

2. The value used in the calculation of the homestead credit is subject to the same adjustments as the cost to the owner or the market value, i.e., the 40% assessment rate and the application of the factor from the depreciation schedule.