

Nevada Property Tax

Nevada's property tax rates are among the lowest in the United States. The state's average effective property tax rate is just 0.77%. That is well below the national average of 1.19%.

Homeowners in Nevada are protected from steep increases in property tax bills by Nevada's property tax abatement law, which limits annual increases in property tax bills to a maximum of 3% for homeowners.

Nevada Property Tax Rules

Property taxes in Nevada are based on the market value of a property, as well as the replacement cost of any structures on a property. County Assessors in each county are required to reappraise all property at least once every five years.

The taxable value of a property is calculated as the cash value of the land (the amount the land alone would sell for on the market), and the replacement cost of all buildings minus depreciation of 1.5% per year since construction.

Assessed value is equal to 35% of that taxable value. Thus, if your County Assessor determines your home's taxable value is \$100,000, your assessed value will be \$35,000. Tax rates apply to that amount.

Nevada's tax abatement law protects homeowners from sudden spikes in their property taxes. The law limits increases in property taxes on primary residences to 3% per year. Thus, even if home values increase by 10%, property taxes will increase by no more than 3%.

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**NV Example: \$1,000,000 (taxable value) Incline Village home has an assessed home value of \$350,000
(1,000,000 X 35% = 350,000)**

Average Tax Rate

0.888%

(Washoe County)

Property Taxes

\$3,108

(Annual)

How Your Property Taxes Compare

Based on an Assessed Home Value (AHV) of **\$350,000**

Washoe County \$3,108	0.888% of AHV
Nevada \$3,224	0.921% of AHV
National \$4,239	1.211% of AHV

**CA Example: \$1,000,000 Kings Beach home has an initial assessed home value of \$1,000,000
(the same as the purchase price)**

Average Tax Rate

1.019%

(Placer County)

Property Taxes

\$10,190

(Annual)

How Your Property Taxes Compare

Based on an Assessed Home Value (AHV) of **\$1,000,000**

Placer County \$10,190	1.019% of AHV
California \$8,130	0.813% of AHV
National \$12,110	1.211% of AHV

California Property Tax

Property taxes in California are limited by Proposition 13, a law approved by California voters in 1978. The law has two important features. First, it limits general property taxes (not including those collected for special purposes) to 1% of a property's market value. And secondly, it restricts increases in assessed value to 2% per year. Those two rules combine to keep California's overall property taxes below the national average. The average effective property tax rate in California is 0.79%, compared with a national average of 1.19%

California property taxes are based on the purchase price of the property. When you buy a home, the assessed value is equal to the purchase price. From there, the assessed value increases every year by the rate of inflation (change in the California Consumer Price Index), with a cap on increases of 2%. This means that, for homeowners who have been in their house a long time, assessed value is often lower than market value. The same is true of homeowners in areas that have experienced rapid price growth such as San Francisco and San Jose in recent years. Homeowners in California can claim a \$7,000 exemption on their primary residence.

California Property Tax Rules

Property taxes are applied to those assessed values. Each county collects a general property tax equal to 1% of assessed value. That general tax is the single largest tax, but there are other smaller taxes that vary by city and district.

Voter-approved taxes for specific projects or purposes are common, as are "Mello-Roos" taxes. Mello-Roos taxes are voted on by property owners and are used to support special districts that finance services, public works or other improvements.

A good rule of thumb for California home buyers who are trying to estimate what their property taxes will be is purchase price x 1.25%. This incorporates the base rate of 1% and additional local taxes, which are usually about 0.25%.

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