

# Millage Rate Rollback



**Supporting Slides**

# **Background on Partnership with Sebastian County Officials**

In 2025, a county-wide reappraisal determined that the assessment values of real estate property exceeded 10% of the prior year.

Documentation from Sebastian County included...

The “Equalization Board Abstract of Adjusted Assessment” for 2024 (dated 10/24/2024).

The “Equalization Board Abstract of Adjusted Assessment” for 2025 (dated 10/15/2025).

The “Summary of Newly Discovered Values” for 2025 (dated 10/15/2025).

Sebastian County qualified for “rolled back millage” per A.C.A. § 26-26-404.

We will use the term “rollback” for this presentation.

Sebastian County Assessor  
35 South 6Th Street, Room 105  
Ft Smith, AR 72901

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**Notice Of Real Estate Value Change**  
**This is NOT a Tax Bill**

Section III: Valuation				
	Assessment Year	Estimated Market Value	Assessed Value (20% of Market)	Taxable Value*
	2024	150,000	30,000	30,000
	2025	200,000	40,000	31,500

The “Estimated Market Value” is the fair market value (FMV) of the real estate property.

The “Assessed Value” (AV) is a calculated number. It is FMV x 20%. (**200,000 x 20% = 40,000**)

The Taxable Value (TV) is a calculated number. It is the maximum taxable value of the property.

The TV caps the AV increase to only 5% of the previous FMV of the property.

The TV is calculated as:

$$\begin{aligned} 150,000 \times 5\% &= 7,500 \\ 150,000 + 7,500 &= 157,500 \\ \mathbf{157,500 \times 20\%} &= \mathbf{31,500} \end{aligned}$$

## Showing the Math on our Example

Two identical houses on a street have the exact same FMV of \$150,000 in 2020.  
Therefore, for both houses, the assessed value (AV) is \$30,000 ( $\$150,000 \times 20\%$ ).

House #1 sold for \$180,000 in 2021.

House #2 owners may have a new FMV, but they stay. They like the new neighbors.

In 2022, even though House #1 was bought at a FMV of \$180,000, both houses keep the AV of \$30,000 ( $\$150,000 \times 20\%$ ). The appraisal process only looks at the last appraisal year AV (which is 2020).

## Showing the Math on our Example

In 2025, a reappraisal of the identical houses determines the FMV is \$200,000.

Both houses has an AV of \$40,000 ( $\$200,000 \times 20\%$ ).

However, the TV increase is capped at 5% of the last reappraisal.

Therefore, the TV for 2025 is \$31,500 ( $20\% \times \$157,500$  ( $\$150,000 \times 1.05\%$ )).

The taxes for 2025 TV of \$31,500 are paid in 2026.

The 2026 AV remains at \$40,000, but the TV will increase another 5% until is equals the AV.

Therefore, the TV for 2026 is \$33,000. ( $20\%$  of  $\$165,000$  ( $\$157,500 + \$7,500$ )).

The taxes for 2026 TV of \$33,000 are paid in 2027.

## Showing the Math on our Example

In 2024, the AV and the TV was \$30,000. In 2025, the TV is \$31,500 (AV is \$40,000).

Notes	Year (Taxes Due)	Millage Rate	Taxable Value	Taxes Due
Before Reappraisal	2024 (2025)	42.058	\$30,000	\$1,261.74
No Rollback	2025 (2026)	42.058	\$31,500	\$1,324.83
With Rollback	2025 (2026)	41.5	\$31,500	\$1,307.25

Due to the millage rollback, the net increase to this taxpayer would be \$45.51.  
( $\$1,307.25 - \$1,261.74 = \$45.51$ )

But wait... There's more.

The Homestead Credit is increasing \$100 from \$500 to \$600.

Therefore, the net **DECREASE** to this taxpayer is \$54.49. ( $\$45.51 - \$100.00 = \$54.49$ )

# Other Points of Interest

Homeowners ages 65 or older or disabled automatically have assessed values frozen.

These homeowners will not see any increase in TVs.

These homeowners will see a decrease in taxes due from:

- The rolled back millage rate to 41.5 from 42.058; and

- The \$100 increase in the Homestead Credit.

Commercial and secondary real estate properties have a TV cap of 10%

instead of the 5% cap enjoyed by homeowners.