

Understanding East Hampton's Mill Rate: How Your Property Taxes Are Calculated

Property taxes are determined using a formula based on the mill rate, which reflects the tax paid per \$1,000 of assessed property value. This guide explains the process, including revaluation and mill rate equalization to keep taxes fair.

What is a Mill Rate?

A mill rate determines how much tax you pay per \$1,000 of your property's assessed value. It's calculated by taking the Town's total budgeted expenditures and subtracting any non-tax revenues (e.g, state grants and fees). The balance is what's needed to be collected in taxes to have a balanced budget.

You then divide the taxes needed by the net grand list, which is the total taxable property value in town after exemptions. Multiply the result by 1,000 — and that's your mill rate.

For example, if East Hampton needs \$50 million in taxes, and the net grand list is \$2.5 billion, the mill rate would be 20.00. A home assessed at \$250,000 would pay \$5,000 in property taxes. That's 250 times the 20.00 mill rate.

How Revaluation Works

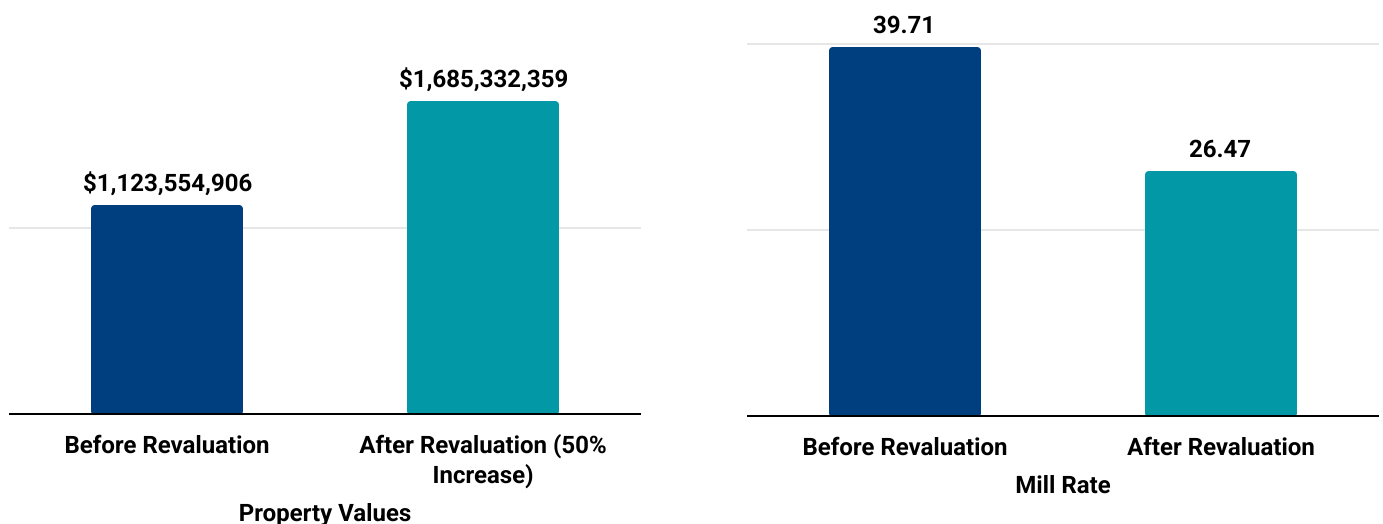
Connecticut law requires every municipality in the state to conduct a revaluation of real property every five years. East Hampton's revaluation is under way, and when complete, will be effective for the 2027 fiscal year. A revaluation is not intended to artificially raise revenues; its purpose is to value all properties by the same standard at the same point in time.

Mill Rate Equalization

Mill Rate Equalization is a term that refers to the process of adjusting the tax rate to remain revenue neutral from the current fiscal year to the next fiscal year's budget development within the town. The equalized mill rate is primarily used for two purposes. First, to determine the mill rate that would generate the same tax revenue as the current fiscal year, utilizing the new revaluation property values. Second, the equalized mill rate is the starting mill rate used for the development of the next fiscal year's budget.

Tax Calculation Examples

Let's see what would happen to the 2026 mill rate if everyone's property values increased by 50%.



Before Revaluation

Initial Assessed Value of Your Home: \$200,000

Adopted Mill Rate: 39.71

Your estimated tax bill will be: \$7,942

(200 times \$39.71)

(\$39.71 for every \$1,000 of assessed value)

After Revaluation

New Assessed Value of Your Home: \$300,000
(50% Increase)

Hypothetical Mill Rate: 26.47

(Adjusted to take into account the increase in values)

Your estimated tax bill will be: \$7,942

(300 times \$26.47)

(\$26.47 for every \$1,000 of assessed value)