

# Understanding the “Estimated Roll-Back Rate”

## What It Means for Your Property Taxes

### What is it?

The estimated roll-back rate is a new provision in state law intended to provide additional transparency and accountability to taxpayers before the final millage rate is set.

The estimated roll-back rate will appear on your Notice of Assessment (NOA) or the annual notice you get showing the value of your property. It's a calculated millage rate designed to provide a more accurate estimate of property tax liability to taxpayers.

- Essentially, the estimated roll-back rate provides an estimate of the millage rate that would offset all increases in property tax revenue that might result from higher property valuations (reassessments).
- The estimated rollback rate is calculated using the previous year's millage rate minus the millage equivalent of the total net assessed value added by reassessments.
- If the adopted millage rate exceeds the estimated rollback rate, the tax bill must include a notice to the taxpayer explaining that their taxes will increase.

### Why is it important?

Before 2025, your Notice of Assessment (NOA) showed your property value and used last year's property tax millage rate to estimate what you might owe in taxes. But this estimate wasn't always accurate, especially in years when property values rose or the government rolled back the millage rate. So, lawmakers passed House Bill 581 (updated by HB 92) to require the estimated roll-back rate to provide a clearer picture of the effect of reassessments on the process of setting the millage rate.

### How does it work?

Each year, the county will calculate and certify the estimated roll-back rate based on the reassessment of real property.. It reflects what the tax rate could be if they only collected the same amount of revenue from existing properties not considering new property growth from reassessments. If the county does not submit the estimated roll-back rate within this timeframe, your NOA will default to using last year's rate instead.

### Why does it matter?

- If your local government later sets a higher rate than what was shown, your tax bill must include a disclaimer telling you they exceeded the estimate.
- Transparency: The estimated rollback rate helps taxpayers understand how changes in property values and millage rates affect their tax bills.
- Informed Decision-Making: It allows property owners to be more aware of potential tax increases or decreases.
- Increased Accountability: Taxpayers will receive notice on their property taxes if a taxing authority adopts a millage rate that exceeds the estimated roll-back rate.

### What does it not do?

The estimated roll-back rate paints an incomplete picture of the realities local government face in setting millage rates and ignores other important benefits that taxpayers receive in DeKalb County.

- Focusing solely on increased revenue due to reassessments fails to recognize the effects of inflation on the costs of providing services.
- DeKalb County's base year assessment exemption, also known as an "assessment freeze," protects homestead property owners by offsetting increases in county property taxes due to reassessments.
- The Equalized Homestead Option Sales Tax or EHOST provides additional property tax relief to homestead property owners.