

Dothan Eagle

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Dothan fees, taxes lower than other cities

What is a mill?

A mill is equal to \$1 on every \$1,000 of a property's assessed value. In Alabama, residential property is taxed on 10% of a property's appraised value.

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As taxes and fees go, Dothan is one of the least expensive cities in Alabama.

A tax analysis presented Tuesday by City Manager Mike West, compared Dothan to seven other met-

ropolitan areas — some of comparable size and others larger — and to Dothan's closest neighbors, Enterprise and Ozark.

Of the 10 cities, Dothan has the lowest ad valorem taxes, the lowest city millage, one of the lowest business license rates, and is

one of only two cities without a garbage fee.

When it comes to property taxes, Alabama already has the second lowest in the nation, according to the Bureau of Economic Analysis. In 2006, the median

See FEES, 3A

Garbage fees

Dothan: None
Birmingham: None
Decatur: \$8.25
Enterprise: \$10.50
Tuscaloosa: \$11.35
Montgomery: \$12
Gadsden: \$13
Huntsville: \$14.50
Ozark: \$15
Auburn: \$17.50

Fees

continued from 1A

property taxes paid on an Alabama home was \$328. Only Louisiana was lower.

Less than one percent of the incomes of Alabama home owners goes to property taxes. Taxes as a percentage of income is 0.68 percent.

In Dothan, the property tax rate is 33 mills, with the total city portion being 5 mills. The state millage is 6.5 and the county portion is 16; the remaining 5.5 mills goes to the schools.

By comparison, total millage in Enterprise is 43.5, with the city portion set at 17.5 mills. Decatur has a

total millage of 45, with the local rate being 6 mills. Montgomery residents are taxed at 34.5 mills, with 12.5 being the city portion.

Property taxes for schools ranged from 6 mills in Gadsden to 22 in Decatur and Huntsville.

A mill is one-tenth of one cent (.001). Taxes are calculated by multiplying the millage rate by assessed value less exemptions. Taxes on a \$40,000 property are figured by multiplying the 33 mills by 10 percent of the value (\$4,000) for a total tax of \$132, less homestead and other exemptions. Taxes on a \$300,000 house would be \$990, less exemptions.

"Dothan property tax is the lowest of any town of comparable size we are

aware of," West said. "And we are one of a few cities that does not base business licenses on gross receipts."

The city has a flat rate schedule for business licenses, while Tuscaloosa, Auburn and Gadsden base their rates on the 'business' total receipts. Birmingham, Decatur, Enterprise, Huntsville, Montgomery, and Ozark have a combination flat rate/gross receipts charge.

Sales taxes in Dothan are at 9 percent, the same as Birmingham, Gadsden, Ozark and Tuscaloosa. Taxes are 10 percent in Montgomery and Decatur and 8 percent in Auburn and Huntsville. Sales taxes in Enterprise are 8.5 percent.