



## Calculating the EAV for cropland that has a PI below the lowest PI certified by IDOR

Beginning in 2006, the lowest PI certified by the department is a PI of 82 (previously 60). Although the lowest certified PI has changed, the procedure used to calculate the equalized assessed value for soil that has a PI below the lowest certified PI remains the same.

Cropland is assessed at the full amount of the certified EAV corresponding to its debased PI, but no lower than 1/3 of the value for the lowest PI certified.

Permanent pasture is assessed at 1/3 of its debased PI EAV as cropland, but no lower than 1/3 of the value for the lowest PI certified.

Other farmland is assessed at 1/6 of its debased PI EAV as cropland, but no lower than 1/6 of the value for the lowest PI certified.

### Steps to assess cropland with a PI below lowest certified PI

- Step 1** Subtract the EAV of the lowest certified PI from the EAV for a PI that is five PIs greater.
- Step 2** Divide the result of Step 1 by 5. The result is the average EAV reduction per PI point for the 5 lowest certified PIs.
- Step 3** Subtract the PI of the cropland being assessed from the lowest PI for which the department certified a cropland EAV.
- Step 4** Multiply the result of Step 2 by the result of Step 3.
- Step 5** Subtract the result of Step 4 from the lowest EAV for cropland certified by the department.
- Step 6** The EAV of the cropland being assessed will either be the result of Step 5 or 1/3 of the EAV of cropland for the lowest certified PI, whichever is **greater**.

### Assessment year 2010 example

Lowest certified PI is 82; 2010 certified value for a PI of 82 is \$10.42.

Example cropland PI is 79.

|               |                  |                |
|---------------|------------------|----------------|
| <b>Step 1</b> | EAV for PI of 87 | \$16.01        |
|               | EAV for PI of 82 | <u>- 10.42</u> |
|               |                  | \$ 5.59        |

**Step 2** \$5.59 divided by 5 = \$1.12 average per PI point.

|               |                     |             |
|---------------|---------------------|-------------|
| <b>Step 3</b> | Lowest PI certified | 82          |
|               | Cropland PI         | <u>- 79</u> |
|               | Number of points    | 3           |

|               |                    |            |
|---------------|--------------------|------------|
| <b>Step 4</b> | Result from Step 2 | \$ 1.12    |
|               | Result from Step 3 | <u>x 3</u> |
|               |                    | \$ 3.36    |

|               |                         |               |
|---------------|-------------------------|---------------|
| <b>Step 5</b> | Lowest certified PI EAV | \$ 10.42      |
|               | Result from Step 4      | <u>- 3.36</u> |
|               | EAV for PI of 79        | \$ 7.06       |

|               |                             |         |
|---------------|-----------------------------|---------|
| <b>Step 6</b> | Greater of a or b below     |         |
|               | <b>a</b> Result from Step 5 | \$ 7.06 |
|               | <b>b</b> 1/3 of \$10.42     | \$ 3.47 |
|               | (lowest EAV certified)      |         |

The EAV for a cropland soil with a PI of 79 is \$7.06.