PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Millage rate

A millage rate is a property-tax rate stated in mills, with one mill equal to $1 of tax for each $1,000 of taxable assessed value.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Finance and Closing	Georgia taxes and closing math	Define, distinguish, apply, retrieve

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Millage rate mean?

A millage rate is a property-tax rate stated in mills, with one mill equal to $1 of tax for each $1,000 of taxable assessed value.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

The assessment ratio creates assessed value from fair market value. The millage rate is then applied to the taxable assessed value after the problem's stated exemptions.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia exam math commonly uses: fair market value × 40 percent, subtract the stated exemption when directed, divide by 1,000, then multiply by the mills.

WORKED EXAMPLE

Tax on $120,000 of taxable assessed value at 28 mills is $120,000 ÷ 1,000 × 28 = $3,360.

EXAM TRAP

Treating 28 mills as 28 percent or applying it to full market value creates a large error.

Memory cue: Treating 28 mills as 28 percent or applying it to full market value creates a large error.

02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

Which statement correctly explains Millage rate?

- **A** A millage rate is a property-tax rate stated in mills, with one mill equal to $1 of tax for each $1,000 of taxable assessed value.
- **B** The assessment ratio is the percentage of fair market value used to establish taxable assessed value.
- **C** Assessed value is the taxable value produced by applying the legal assessment ratio to fair market value before subtracting any exemption the problem or jurisdiction directs.
- **D** Ad valorem tax is a tax based on property value.

CORRECT ANSWER: A

Millage rate is correct. A millage rate is a property-tax rate stated in mills, with one mill equal to $1 of tax for each $1,000 of taxable assessed value. The assessment ratio creates assessed value from fair market value. The millage rate is then applied to the taxable assessed value after the problem's stated exemptions. Georgia exam math commonly uses: fair market value × 40 percent, subtract the stated exemption when directed, divide by 1,000, then multiply by the mills.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- [ ] I can define the term in one precise sentence.
- [ ] I can separate it from the closest look-alike.
- [ ] I can explain the Georgia rule or confirm that the national rule applies.
- [ ] I can answer the practice check and explain every option.

03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Assessment ratio

The assessment ratio is the percentage of fair market value used to establish taxable assessed value.

https://www.passgeorgiarealestate.com/glossary/assessment-ratio

RELATED TERM

Assessed value

Assessed value is the taxable value produced by applying the legal assessment ratio to fair market value before subtracting any exemption the problem or jurisdiction directs.

https://www.passgeorgiarealestate.com/glossary/assessed-value

RELATED TERM

Ad valorem tax

Ad valorem tax is a tax based on property value.

https://www.passgeorgiarealestate.com/glossary/ad-valorem-tax

RELATED TERM

Homestead exemption

A homestead exemption reduces the taxable value of a qualifying owner's principal residence for specified property-tax levies when the owner meets the applicable state and local eligibility and filing requirements.

https://www.passgeorgiarealestate.com/glossary/homestead-exemption

RECOMMENDED NEXT COMPLETE LESSON

Finance and Closing complete lesson

https://www.passgeorgiarealestate.com/blog/georgia-property-tax-millage-calculations

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

https://test-takers.psiexams.com/api/content/bulletin/4672

2. Georgia Department of Revenue, Property Tax Valuation

Official source for fair market value, the 40 percent assessment ratio, and ad valorem taxation.

https://dor.georgia.gov/property-tax-valuation