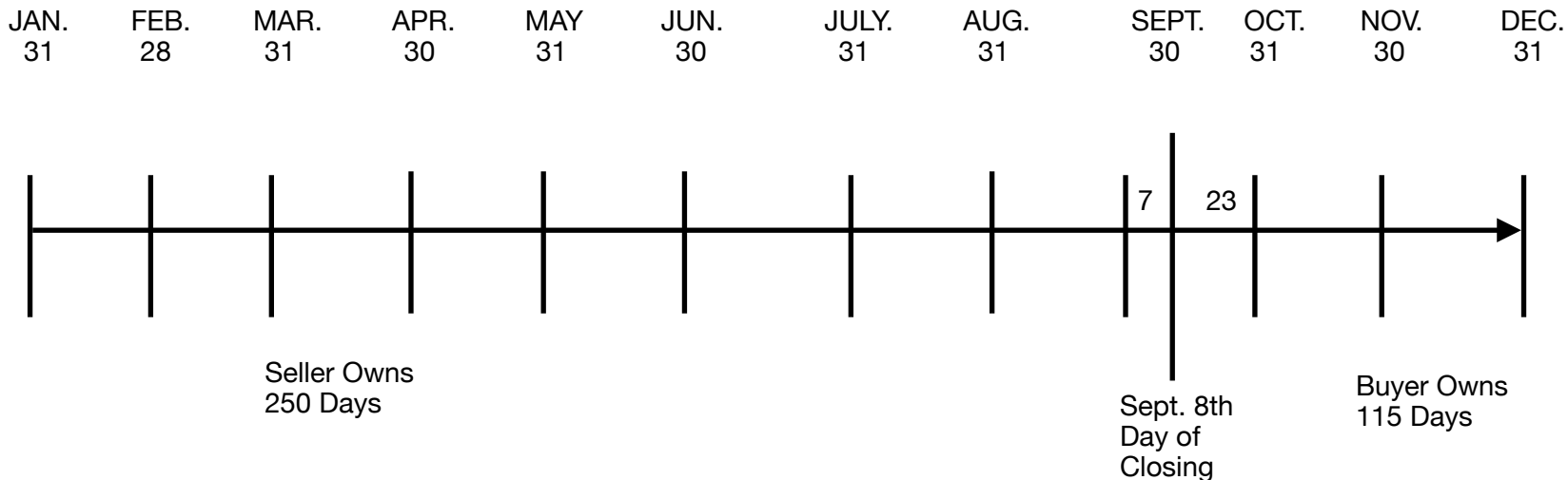


## ONE YEAR TAX PRORATION. (365 DAY METHOD)

- \* TAXES ARE PAID IN A ONE FULL CALENDAR YEAR. (Not A Fiscal Year)
- \* TAXES ARE PAID IN ARREARS (AT THE END OF THE YEAR)
- \* THE DAY OF CLOSING ALWAYS BELONGS TO THE BUYER

### EXAMPLE:

TAXES FOR THE YEAR ARE \$700., THE DAY OF CLOSING IS SEPTEMBER 8TH, SINCE THE SELLER HAS NOT PAID ANY TAXES YET, HOW MUCH DOES THE SELLER OWE THE BUYER?



\* TO FIND THE PER DAY DOLLAR AMOUNT, DIVIDE \$700. TAXES INTO 365 DAYS = \$1.91

**ANSWER: \$1.91 per day amnt. X 250 days owed by seller = \$477.50 Debit to Seller / Credit to Buyer**