

# UNDERSTANDING YOUR SCHOOL TAX BILL

## ANYTOWN CENTRAL SCHOOL DISTRICT

### 2013-14 School Tax Bill

Fiscal Year: 7/1/2013 to 6/30/2014 Warrant Date: 9/1/2013

#### Make Checks Payable to:

Anytown Central School District  
123 School Street  
Anytown, NY 12345

#### To Pay in Person

Anytown District Office  
123 School Street  
Anytown, NY

#### Address Legal Description

109901 99.90-1-99  
Address: 123 Main Street  
Municipality: Anytown  
School: Anytown CSD  
NYS Tax and Finance School District Code: 123  
210-1 Family Roll Sect. 1  
Parcel Acreage: 0.5  
Estimated School Aid: \$10,000,000

John and Jane Taxpayer  
123 Main Street  
Anytown, NY

#### Property Taxpayer's Bill of Rights

The assessor estimates the Full Market Value of this property as of July 1, 2013 was: \$200,000

The total Assessed Value of this property is: \$180,000

The Uniform Percentage of Value used to establish assessments in your municipality was: 90.00

If you feel your assessment is too high, you have the right to seek a reduction in the future. For further information, please ask your assessor for the booklet, "How to File a Complaint on Your Assessment." Please note that the period for filing complaints on the above assessment has passed.

Exemption	Value	Tax Purpose	Full Value Estimate
Residential STAR	\$27,000	School	\$30,000

#### 2013 School Taxes for this Property

(before accounting  
for STAR)

	Tax Levy	Percent Change from prior year	Taxable Assessed Value (before accounting for STAR)	Rate per \$1,000	Tax Amount
Anytown SD Taxes	\$25,000,000	3.0	\$180,000.00	\$20.00	\$3,600.00

Tax savings through the New York School Tax Relief Program: \$540

Note: Legislation requires that this year's STAR tax savings generally may not exceed last year's by more than 2%.

Total School Taxes Due: \$3,060

PENALTY SCHEDULE	Penalty/Interest	Amount	Total Due
Pay by: 09/30/2013	\$0.00	\$3,060	\$3,060
11/01/2013	\$61.20	\$3,060	\$3,121.20

**1. Fiscal Year & Warrant Date** – The fiscal year for which taxes are being collected to fund programs and operations. The warrant date is the date on which the tax receiver may begin collection.

**2. Full market value** – The amount that the property could sell for under normal conditions. (Sometimes also referred to as Fair Market Value)

**Assessed value** – The value assigned by the municipality for the purposes of levying taxes.

**Uniform Percentage of Value** – Also known as equalization rate, this indicates the ratio of the assessed value to market value in the municipality. This is used in an effort to fairly apportion the share of taxes when a taxing jurisdiction, such as a school district, contains multiple municipalities. It is designed to ensure that owners of properties with similar full market values pay an equivalent amount of taxes.

**3. Exemptions** – Tax bills must show any exemptions the property receives. In this case, a Basic School Tax Relief Exemption (STAR) applies to this property. The value indicates the amount of assessed value that is exempt from school taxes. The full value estimate is derived by converting the assessed value that is exempt into a full market value.

**4. Tax Amount** – The tax amount is figured by multiplying the taxable assessed value of the property by the tax rate for each \$1,000 worth of property. The taxable assessed value of the property may differ from the assessed value due to exemptions other than STAR.

**5. Tax savings through STAR** – STAR savings are calculated by multiplying the value of the exemption by the school tax rate for the municipality.

**6. Total School Taxes Due** – The tax amount minus STAR savings results in the total amount due to the district by the date indicated. A penalty is often assessed for payments received after a certain date. At a certain point, many school districts submit unpaid tax bills to the county for payment while the county pursues collection.

#### Library taxes

Although not shown here, many school districts collect taxes on behalf of a local library. This is generally an administrative function, with the libraries and their finances completely separate from the school district.



Copyright 2015, Capital Region BOCES Communications Portfolio; All rights reserved. For more information or permission to use, call 518-464-3960.

# What are **EQUALIZATION RATES** and why are they used?

## A tale of two houses, two towns, one school district, and two tax bills

Town A and Town B are different towns within the same school district. The house in Town A and the house in Town B recently sold for the same amount. So, the two houses have the same market value and should pay the same amount in school taxes.

However, Town A and Town B use different assessment practices, which means that the houses have different assessed values – and assessed values are used in the computation of property tax bills. Therefore, for the houses in Town A and Town B to pay the same in taxes, the tax rates (per \$1,000 of assessed value) must be different for each town.

The process of equalization is used to determine these tax rates. Essentially, full market value serves as a common denominator, or equalizer, in the process of setting tax rates.

Equalization rates indicate the ratio of the assessed value to market value in the municipality. They are used in an effort to fairly apportion the share of taxes when a taxing jurisdiction, such as a school district, contains multiple municipalities. They are designed to ensure that owners of properties with similar full market values pay an equivalent amount of taxes.



Full Market Value  
\$250,000  
Assessed at  
\$185,000

### TAX BILL – HOUSE IN **TOWN A**

Full Market Value:	\$250,000
Equalization Rate:	74.00
Assessed Value:	\$185,000
Town Tax Rate:	\$27.03 per \$1,000
<b>Total Taxes Due:</b>	<b>\$5,000</b>



Full Market Value  
\$250,000  
Assessed at  
\$250,000

### TAX BILL – HOUSE IN **TOWN B**

Full Market Value:	\$250,000
Equalization Rate:	100.00
Assessed Value:	\$250,000
Town Tax Rate:	\$20.00 per \$1,000
<b>Total Taxes Due:</b>	<b>\$5,000</b>

In this example, House A and House B pay an equivalent amount of taxes due to the different tax rates.

**Remember:**  $\text{Assessed value} \times \frac{\text{Tax Rate}}{1,000} = \text{Total Tax Bill}$

In the example given, **properties in Town A are assessed at 74 percent of full market value** (an equalization rate of 74) and **Town B properties are assessed at full market value** – an equalization rate of 100.

School districts calculate the total full market value of all properties in each municipality. Equalization rates allow them to determine the share of the tax levy to be paid by each town, a necessary step to calculating tax rates for each town. The process is designed to:

- Fairly apportion the tax levy among the municipalities in a school district ; and
- Ensure that the amount of taxes paid by owners of similar properties in the district is similar – regardless of the town and its assessment practices.

# School Taxes & Assessment Process

## TIMELINE

APRIL/MAY

### SCHOOL DECISIONS

Each spring, school districts across the state propose a school budget to voters. The budget contains a proposed TAX LEVY for the coming school year. This is the total amount to be collected from all the taxpayers in the district. Residents of New York vote on school budgets the third Tuesday in May. Defeated budgets may be put up for a second vote on the third Tuesday in June.

MAY/JUNE/JULY

### LOCAL (MUNICIPAL) DECISIONS

Municipalities typically publish a tentative assessment roll on May 1, and submit a final assessment roll to the state by July 1.

The assessment roll lists the assessed value of every property in the municipality.

JULY/AUGUST

### STATE DECISIONS

Based upon the local assessment rolls and data, the state establishes equalization rates for each municipality.

An equalization rate represents the state's determination of the level of property assessments in a given municipality in relation to full market values. For more information on property taxes and assessments visit the NYS Office of Real Property Services at: <http://www.tax.ny.gov/pit/property/default.htm>

AUGUST

### CALCULATIONS

Most school districts set tax rates for each municipality in August based on the total voter approved tax levy, the state determined equalization rates, and assessment rolls for each town.

AUGUST/SEPTEMBER

### PRINTING & MAILING

After tax rates are set, tax bills are printed for each property owner based upon their property's assessment.

Tax bills are typically mailed around September 1 and are due within 30 days.

### A note about property tax exemptions

Though all property is assessed, not all of it is taxable. Some properties, such as those owned by religious organizations or governments are completely exempt from paying property taxes. Others are partially exempt, such as senior citizens, persons with disabilities, veterans who qualify for an exemption on part of their homes, and homeowners who are eligible for the School Tax Relief (STAR) program. Most exemptions are offered by local option of the taxing jurisdiction (municipality, county or school district). Check with your assessor to determine what exemptions are available in your community or visit the New York State Department of Taxation and Finance website at: <http://www.tax.ny.gov/pit/property/exemption/index.htm>.