

### **Board of Education Meeting**

**Explanation of Tax Levy** 

February 12, 2015



### 2% Levy Cap

If you simply multiplied this year's levy:
79,045,241 by 2%
you would get a levy increase of \$1,580,905
It's not that easy.....



#### Part 1 of the Formula

(Adjusted prior year tax levy)

$$\begin{bmatrix}
79,258,663 \\
Prior Year X Tax Base \\
Tax Levy
\end{bmatrix} = + Prior Year Tort \\
PILOTS - Exemption
\end{bmatrix}$$

$$\begin{bmatrix}
Capital \\
Expense \\
Exemption
\end{bmatrix}$$

$$\begin{bmatrix}
79,045,241 \times 1.0027
\end{bmatrix} = 79,258,663 + 0 - 0 - Capital \\
Expense \\
Exemption
\end{bmatrix}$$

Supplied annually by the State Taxation and Finance Department. This numerical value adjusts the tax levy limit to reflect an increase in the full value of taxable real property in a district due to new growth or significant additions to existing properties



# Capital Expense Exemption

• TOTAL	2,105,904
<ul> <li>Building Aid and Trans. Aid</li> </ul>	-612,939
MINUS	
• Sub -Total	2,718,843
<ul> <li>Energy performance contracts</li> </ul>	316,286
Bus leases	445,000
<ul> <li>Debt in budget</li> </ul>	1,957,557



## Complete Part 1 of the Formula

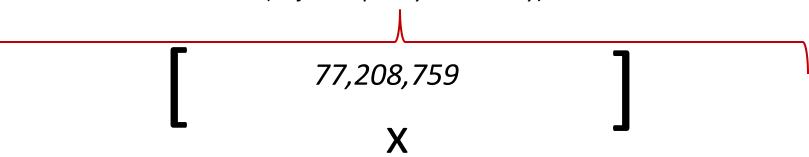
$$79,045,241$$
 X 1.0027  $= 79,258,663 + 56,000 - 0 - 2,105,904$ 

= An adjusted prior year tax levy of 77,208,759



### Formula for Determining the Levy Cap

(Adjusted prior year tax levy)



The allowable Levy Growth Factor is the lesser of 2% or the inflation rate factor. If the inflation rate is less than 2%, then the allowable Levy Growth Factor is the sum of 1 plus an inflation rate (average of last 2 years CPI).



### Formula for Determining the Levy Cap

(Adjusted prior year tax levy)

The allowable Levy Growth Factor is the lesser of 2% or the inflation rate factor. If the inflation rate is less than 2%, then the allowable Levy Growth Factor is the sum of 1 plus an inflation rate (average of last 2 years CPI).



### Formula for Determining the Levy Cap

(Adjusted prior year tax levy)
77,208,759



• New Levy 80,124,763

• Old Levy 79,045,241

• Increase in Levy 1,079,522 or 1.37%