



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)

$$\left[\begin{array}{l} \text{79,258,663} \\ \left(\begin{array}{l} \text{Prior Year} \\ \text{Tax Levy} \end{array} \times \begin{array}{l} \text{Tax Base} \\ \text{Growth} \end{array} \right) = \begin{array}{l} + \text{Prior Year} \\ \text{PILOTS} \end{array} - \begin{array}{l} \text{Tort} \\ \text{Exemption} \end{array} - \begin{array}{l} \text{Capital} \\ \text{Expense} \\ \text{Exemption} \end{array} \end{array} \right]$$

$$\left[\begin{array}{l} \left(\begin{array}{l} \text{79,045,241} \\ \times \end{array} \begin{array}{l} \text{1.0027} \end{array} \right) = \text{79,258,663} + \text{0} - \text{0} - \begin{array}{l} \text{Capital} \\ \text{Expense} \\ \text{Exemption} \end{array} \end{array} \right]$$

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

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



Complete Part 1 of the Formula

$$\left[\left(79,045,241 \times 1.0027 \right) = 79,258,663 + 56,000 - 0 - 2,105,904 \right]$$

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

Formula for Determining the Levy Cap

(Adjusted prior year tax levy)

$$\left[\begin{array}{c} 77,208,759 \\ \times \end{array} \right]$$

$$\text{Levy growth factor (2\% or CPI)} - \text{Coming Year PILOTS} + \text{Capital} + \text{Carryover} = \text{Levy Cap}$$

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)

$$\left[\begin{array}{c} 77,208,759 \\ \times \end{array} \right]$$

$$1.62 = 78,459,541 - \text{Coming Year PILOTS} + \text{Capital} + \text{Carryover} = \text{Levy Cap}$$



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)

$$\left[\begin{array}{c} 77,208,759 \\ \times \end{array} \right]$$

$$1.62 = 78,459,541 - 589,504 + 2,254,726 + \text{Carryover} = 80,124,763$$



- New Levy 80,124,763
- Old Levy 79,045,241
- Increase in Levy 1,079,522 or 1.37%