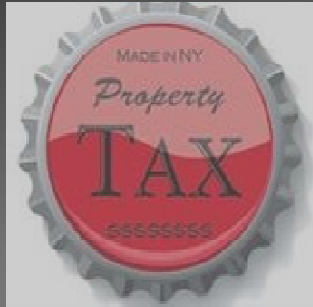


# Understanding the Tax Levy Limit



## Chapter 97 of the Laws of 2011

- Limit on total tax levy, NOT assessed values, tax rates, or individual tax bills.
- Basis for local tax levy increase is the lesser of:
  - 2% of the prior year's levy (plus exceptions)
  - OR-
  - The rate of inflation (CPI-U)

## Chapter 97 of the Laws of 2011

- Exceptions to the Tax Levy Limit
  - Court orders/judgments in excess of 5% of prior year tax levy
  - Changes to PILOT's receivable
  - Tax levy necessary to support local share of capital expenses
  - Increases to employer pension contribution rates over 2%
  - Carry-over up to 1.5% (\*New in 2013-14)
- Tax Levy Limit is not a 2% cap

## Local Tax Cap Formula for 2013-14

- Prior Year Tax Levy
- Reserved Amounts from Prior Year
- x Tax Base Growth Factor (Issued by NYS)
- + PILOT's Receivable in Prior Year
- Capital Tax Levy in Prior Year
- Exclusion for Court Judgments from Prior Year
- x Growth Factor\*
- PILOT's Receivable in Coming Year
- Tax Levy Limit BEFORE Exclusions**

\*Lesser of 2% or CPI-U

## Local Tax Cap Formula for 2013-14

Tax Levy Limit BEFORE Exclusions

- + Exclusion for Court Judgments over 5% of prior levy
- + Capital Tax Levy for 2013-14
- + Exclusion for ERS Increase over 2%
- + Exclusion for TRS Increase over 2%

Tax Levy Limit With Exclusions

- + Carry-over from Prior Year (up to 1.5%)

**LOCAL TAX LEVY LIMIT**

## Local Tax Levy Limit

Q: Can the school district exceed its local tax cap?

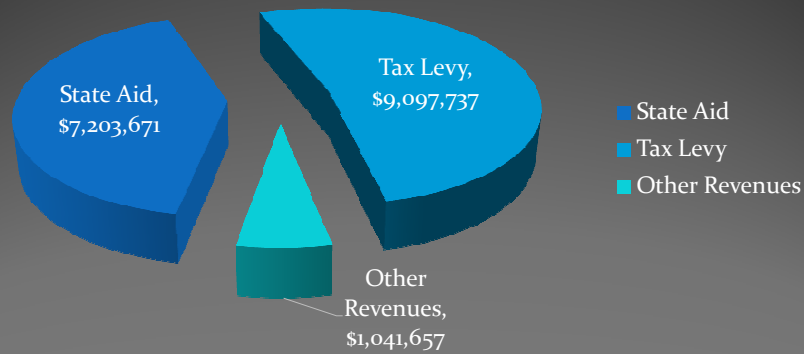
A: Yes, with more than 60% voter approval. Specific requirements for disclosure to voters apply.

Q: What are reserved amounts?

A: Amounts that are levied in error, usually due to errors in the tax cap calculation, and must be put into reserve accounts to reduce future tax levies.

## Tax Levy Limit in Galway

2012-13 Revenues

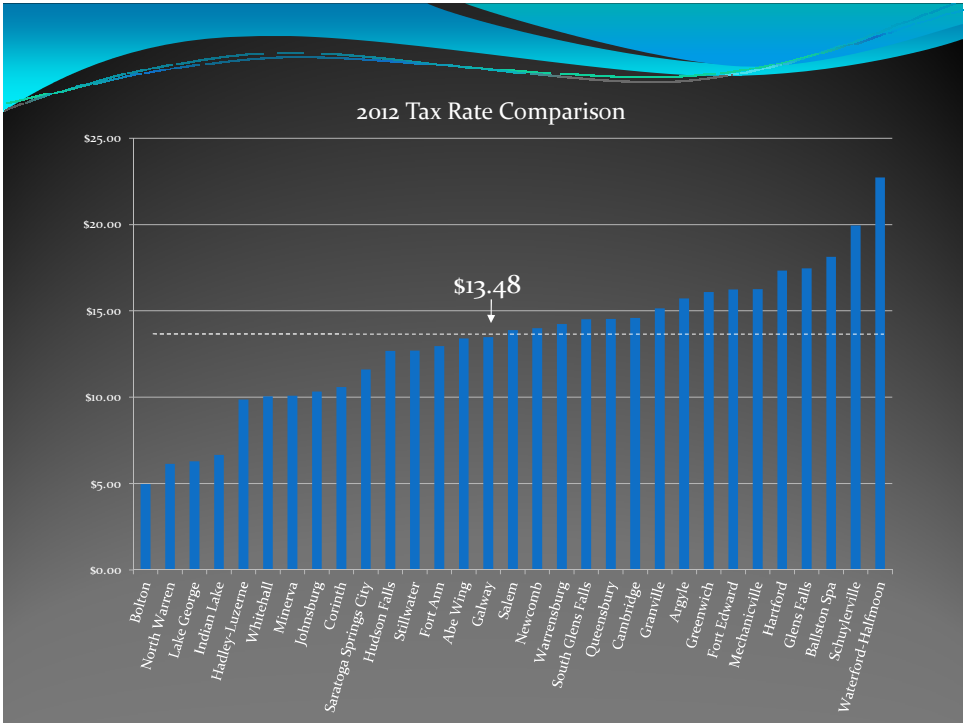
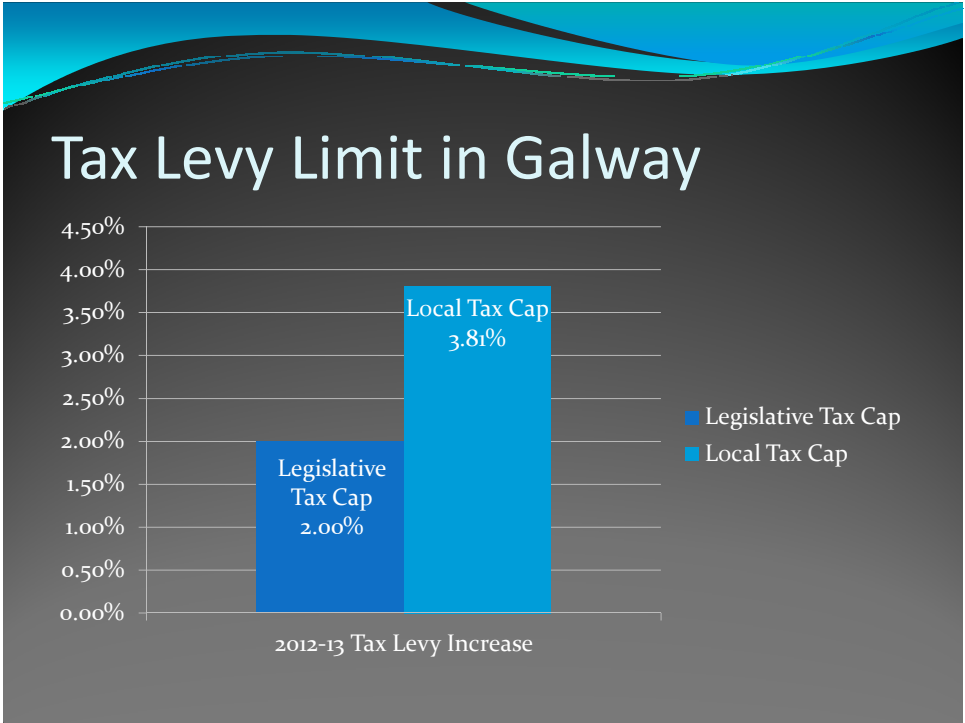


## What does it mean?

1% of Budget = \$173,430

1% of Tax Levy = \$90,977

1% of Budget = 1.91% of Tax Levy



## On AVERAGE, in NYS we:

- Spent More in Total
- Spent More Per Student
- Collected More Taxes
- Lost More Reserves
- Lost More Appropriated Fund Balance
- Lost More Cash on Hand
- Lost More Students

\*According to the Statewide School Finance Consortium

## Resources

Office of the State Comptroller Property Tax Website:

[www.osc.state.ny.us/localgov/realprop/index.htm](http://www.osc.state.ny.us/localgov/realprop/index.htm)

Office of the State Comptroller Property Tax Hotline:

(518) 473-0006

[LGSAMonitoring@osc.state.ny.us](mailto:LGSAMonitoring@osc.state.ny.us)