



Property Tax Cap

Formula for Determining Tax Levy Limit: School Districts

Tax Cap Formula for SY 2012-13

Base Formula

$$\left[\left(\begin{array}{l} \text{Prior school} \\ \text{year tax} \\ \text{levy} \end{array} \times \begin{array}{l} \text{Tax base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right) + \begin{array}{l} \text{PILOTs} \\ \text{receivable in} \\ \text{the prior} \\ \text{school year} \end{array} - \begin{array}{l} \text{Capital tax} \\ \text{levy from} \\ \text{prior school} \\ \text{year} \end{array} \right] \times \begin{array}{l} \text{Allowable} \\ \text{levy} \\ \text{growth} \\ \text{factor}^2 \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable in the} \\ \text{coming school} \\ \text{year} \end{array} = \begin{array}{l} \text{Tax Levy} \\ \text{Limit} \\ \text{Before} \\ \text{Exclusions} \end{array}$$

+ Exclusions

$$\begin{array}{l} \text{Tax Levy} \\ \text{Limit} \\ \text{Before} \\ \text{Exclusions} \end{array} + \begin{array}{l} \text{Tax levy necessary for} \\ \text{expenditures from} \\ \text{court} \\ \text{orders/judgments} \\ \text{arising out of tort} \\ \text{actions for any} \\ \text{amount in excess of} \\ \text{5\% of the total taxes} \\ \text{levied in the prior} \\ \text{school year} \end{array} + \begin{array}{l} \text{Capital tax} \\ \text{levy (to be} \\ \text{defined by} \\ \text{State} \\ \text{Education} \\ \text{Department)} \end{array} + \begin{array}{l} \text{Levy necessary to pay for} \\ \text{additional pension cost} \\ \text{due to increases in the} \\ \text{normal (TRS) or system} \\ \text{average actuarial (ERS)} \\ \text{contribution rate of} \\ \text{pension funds over 2} \\ \text{percentage points} \end{array} = \begin{array}{l} \text{Tax Levy Limit} \\ \text{With Exclusions} \\ \text{(If Applicable)}^3 \end{array}$$

¹ Tax base growth factor: Based on Tax and Finance determination of "quantity change," such as new construction, newly taxable status of existing property, or measurable improvements to taxable property within the boundaries of the local government or school district.

² Allowable levy growth factor: Lesser of 1.02 or inflation factor (percent change in CPI for the 12 month period ending 6 months before the start of the coming fiscal year over the prior 12-month period), but never lower than 1.00.

³ If school districts propose to exceed this, they must get 60% voter approval for an override.