

Property Tax Cap for Villages

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Topics for Today's Session

- Overview of the Property Tax Cap Legislation
- Common Errors
- Reporting Requirements
 - Online Services Filing System
- Q&A Segment



Tax Cap Legislation

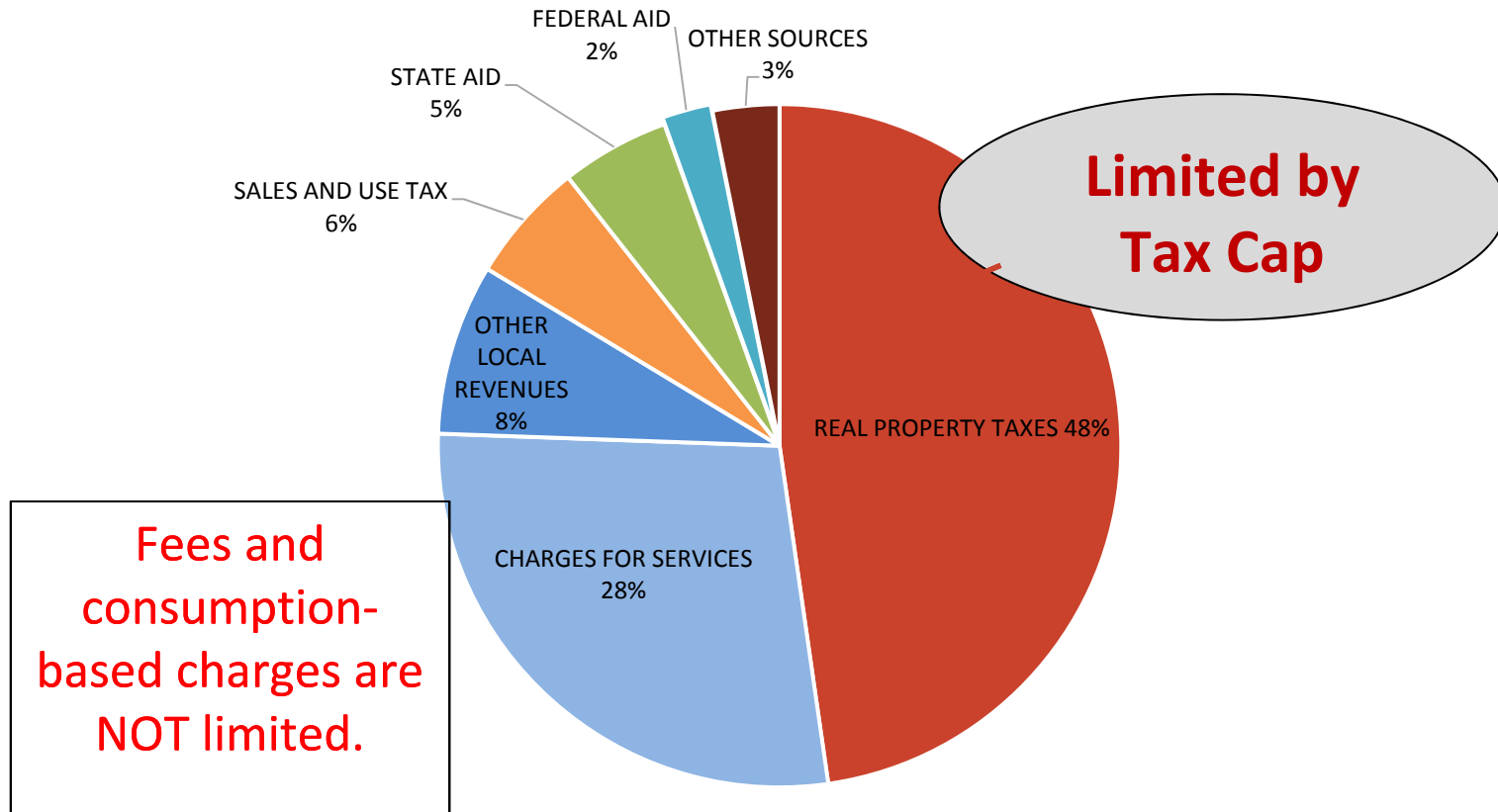
Overview

- The Tax Cap limits total levy set by local governments, not assessed value or tax rate.
- It generally limits the amount local governments and school districts can increase property taxes to the lower of 2% OR the rate of inflation, unless they officially override the tax levy limitation.



Tax Cap Legislation

All Villages, FYE 2017 Revenues



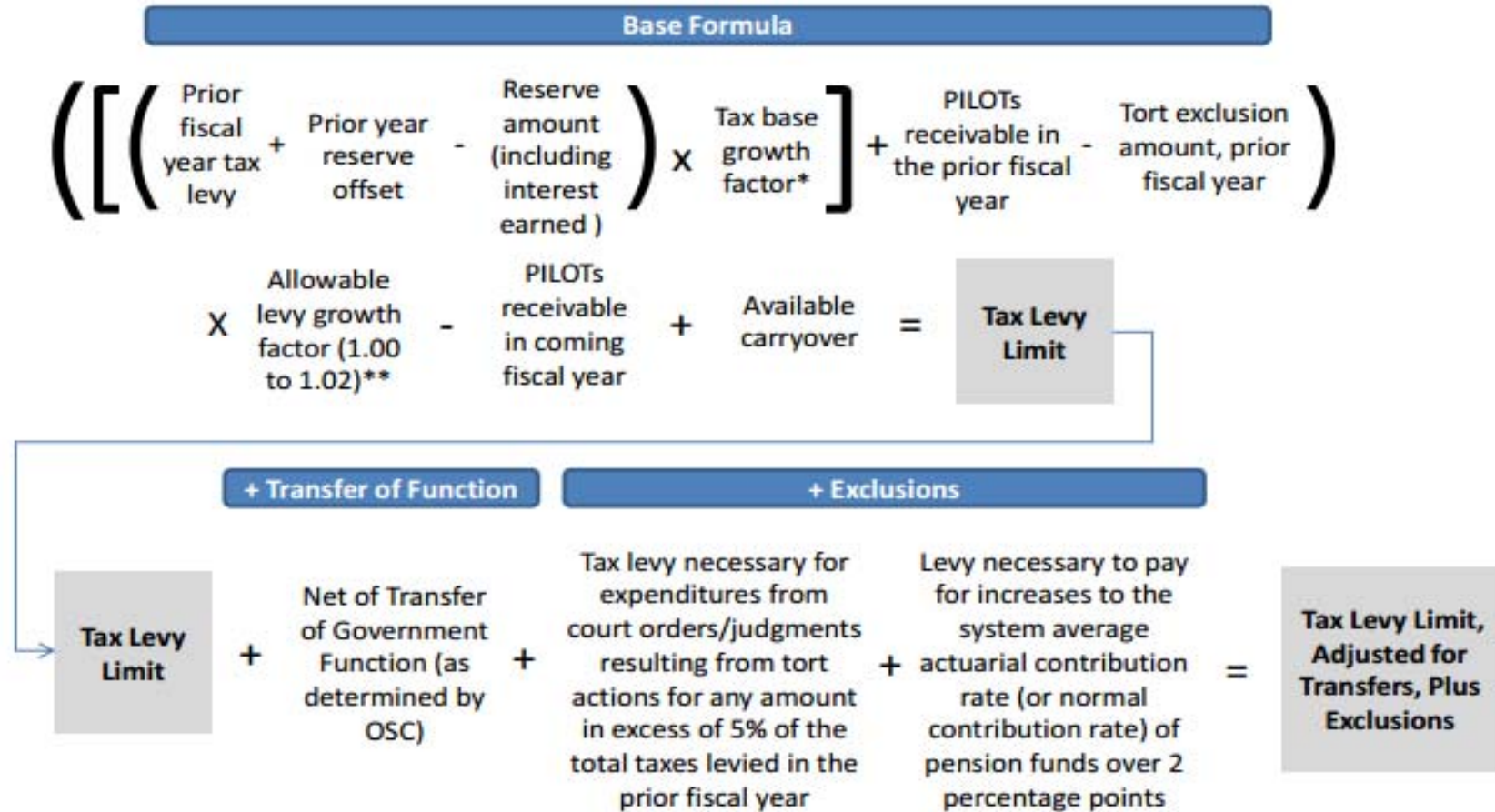
Tax Cap Legislation

Calculation Involves Several Components

- Prior Year Levy
- Allowable Levy Growth Factor – 2% or rate of inflation, whichever is less
- Tax Base Growth Factor
- PILOTs
- Carryover
- Exclusions (Retirement & Tort Costs)
- Transfers of Function



Tax Cap Formula



Tax Cap Legislation

Allowable Levy Growth Factor

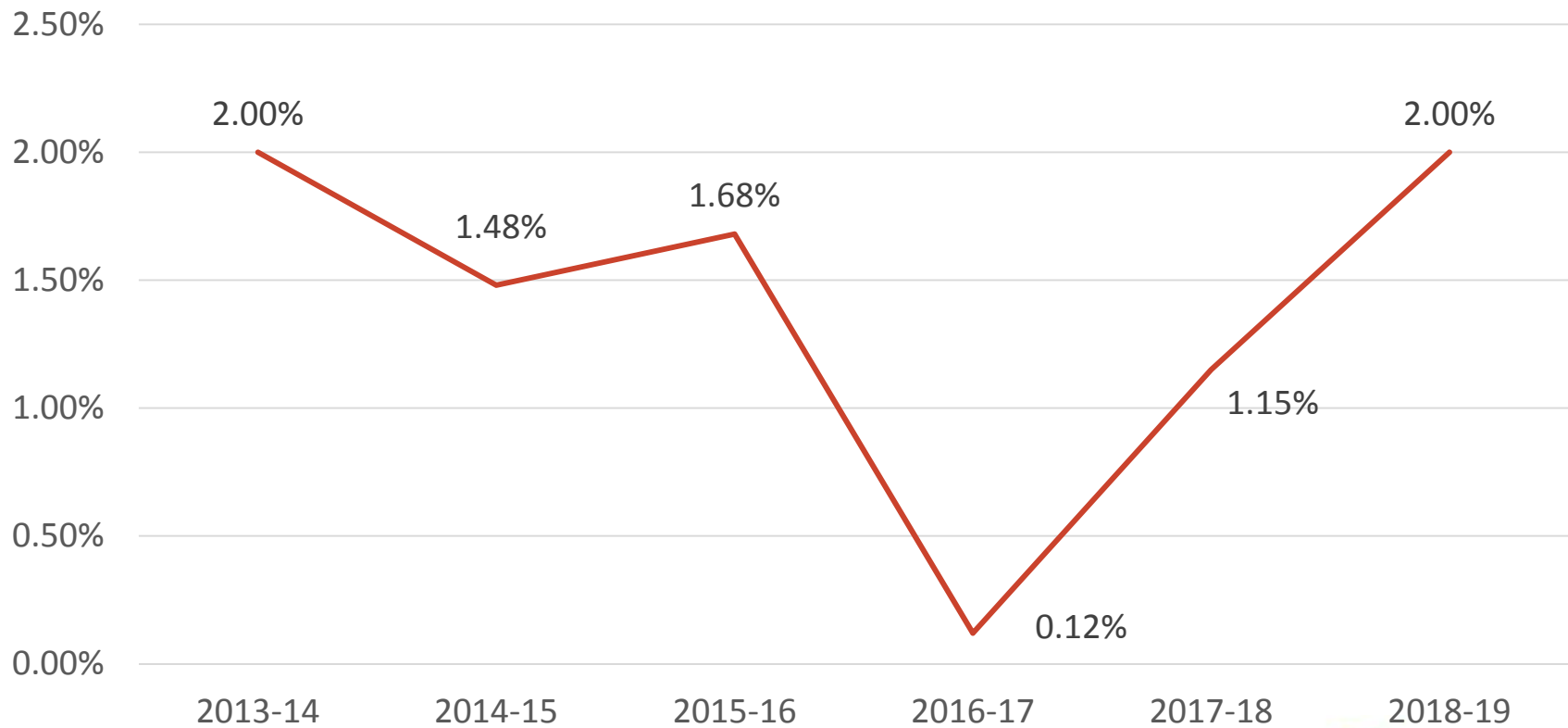
- Allowable levy growth is not always 2%; it is tied to the actual rate of inflation.

Fiscal Year Ending	Inflation Factor	Allowable Levy Growth Factor
12/31/2018	1.84%	1.0184
02/28/2019	1.99%	1.0199
03/31/2019	2.05%	1.0200
05/31/2019	2.13%	1.0200
07/31/2019	2.09%	1.0200



Tax Cap Legislation

Allowable Levy Growth 5/31 Villages



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Tax Cap Legislation

Override

- The law allows local governments to override the levy limit.
- A village must enact a local law to override before budget adoption.
- The governing board must approve by at least 60% of voting power (i.e., 3 out of 5).



Tax Cap Legislation

Consequences of Exceeding the Limit

- If a village levies more than the tax levy limit without an override, the village must place the excess amount in a reserve.
 - Must be an interest bearing account.
 - Must be used to offset the tax levy the following fiscal year.
- If, prior to the adoption of the budget, the village board successfully passed an override local law, no reserve is required.



Common Errors

- Failure to file the Tax Cap Form with OSC's Online Services
 - Local governments that fail to complete or submit a form are more likely to adopt a levy that exceed the limit.
- Errors on the form
 - Prior year/coming year tax levy
 - Adjustments for omitted taxes
 - Benefit assessments vs. user fees
 - Other data entry elements
 - PILOTs receivable
 - Tax cap reserve



Common Errors

Omitted Taxes

- “Omitted Taxes” refers to property tax adjustments billed on a subsequent tax roll.
 - Changes in property ownership can result in a reduction in allowable exemptions.
 - A new owner is responsible for any additional prorated tax using the revised exemptions and preceding year tax rates.
 - The amount of omitted taxes should be deducted from the aggregate amount of taxes to be levied for the current year.
 - If instead the omitted taxes are added to the amounts to be levied, omitted taxes should also be added to the proposed tax levy reported on the Tax Cap form since they are also subject to the tax levy limit.



Common Errors

Benefit Assessment vs. User Fee

- Services such as water, sewer and refuse collection may be funded through the following:
 - Special assessments (benefit assessments) and special ad valorem levies, which are based on the benefit to property and subject to the levy limit.
 - User fees (contractual charges): based on consumption and not subject to the levy limit.
- Consult your attorney or call us if you have difficulty making the distinction.



Reporting Requirements

Who Must File Property Tax Data with OSC?

- Counties
- Cities (except NYC)
- Towns
- Villages
- Fire Districts
- Independent Schools
- Special Districts that have a separately elected or independently appointed board and can either tax or require a tax to be levied on their behalf.



Reporting Requirements

- Local Governments must calculate the tax levy limit and report the data elements to the State.
 - Must use OSC's form to report (OSC Online Services System).
 - Form must be submitted prior to budget adoption.
- Report must be submitted even if an override is enacted.



Reporting Requirements

Online Reporting Application

- Enrollment

- Provides access to our tax cap application.
- User ID and password required.
 - Contact our office if you need assistance.
- Must assign rights and roles depending on responsibilities.
- Instructions can be found on our website:
<http://www.osc.state.ny.us/localgov/realprop/pdf/EnrollmentInstructions.pdf>



OSC Online Reporting System



New York State Comptroller
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Online Services

Online Services

Important! Retirement Online has been upgraded with new services and features that enable you to review your retirement account details and conduct transactions in real time.

Due to enhanced security features, you will need to re-register for the new Retirement Online. **Please follow this link to re-register now.** We believe you'll welcome our new features and self-service improvements.

If you have any questions, please contact the ERS call center at:

- Toll-free: 1-866-805-0990 (long distance within the U.S., Puerto Rico and Virgin Islands)
- Locally: 518-474-7736

Login

*User ID

[I forgot my User ID](#)

*Password

[I forgot my Password](#)

[Need an account? Enroll Now](#)

[Learn more about our Online Services.](#)

Announcements

Scheduled Outage - February 18 and 19, 2017

Due to scheduled maintenance, online services will be unavailable from 7am on Sunday, February 19 until the evening of Sunday, February 19.



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VIEW

Dashboard

Announcements

User Profile

Welcome to Online Services

- Local Government Constitutional Tax Limit Filing System
- Local Government Real Property Tax Cap Filing System

Online Services Applications

You are currently subscribed to the following applications:

- Tax Limit
- Tax Cap

Announcements

No announcements to report.

Municipality Information

Municipality Name Village of Cobleskill
Municipality Code 430417801060
Number of Users 5
Application(s) Tax Cap , Tax Limit

Manage Users

User Information

Name Pass Word
User ID PTCTESTCobleskilVPreparer
Previous Last Access Mar 03, 2017 11:24 AM
Password Expiration Date Jul 26, 2017 12:00 AM
Created On Aug 30, 2013 09:53 AM

Manage Profile






Home

Tax Cap Website

Levy Limit Formula

Feedback

Click to enter...



Property Tax Cap

File your Property Tax Cap information with the State Comptroller's Office.



Tax Cap Compliance

Submit information about your total taxes to be levied, and where applicable, certify for Tax Cap compliance.





Property Tax Cap

Village of Hempstead (280438602210)

Home

Tax Cap
Form Selection

Tax Cap Website

Levy Limit Formula

Feedback

Welcome

This system will allow you to file your Property Tax Cap information.

While the system will provide information that will assist you in completing your Tax Cap Form, **it is your responsibility to ensure that the information is accurate.**

How to Proceed...

Please select a Tax Cap Form below.

Fiscal Year	Form Status
05/31/2019	Unsubmitted
05/31/2018	Submitted
05/31/2017	Submitted and Closed
05/31/2016	Submitted and Closed
05/31/2015	Submitted and Closed
05/31/2014	Submitted and Closed
05/31/2013	Submitted and Closed



How to Proceed...

All Topics must be completed before this Form can be submitted.

Choose a Topic below, or click:

Click here to

Edit this Form

Summary

Tax Levy Limit, Before Adjustments and Exclusions

* Real Property Tax Levy FYE 05/31/2018	---
* Tax Cap Reserve Offset from FYE 2017 Used to Reduce 2018 Levy	\$0
* Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2018	---
* Tax Base Growth Factor	1.0000
* PILOTs Receivable FYE 05/31/2018	---
* Tort Exclusion Amount Claimed in FYE 05/31/2018	\$50,000
* Allowable Levy Growth Factor	1.0200
* PILOTs Receivable FYE 05/31/2019	---
* Available Carryover from FYE 05/31/2018	\$0

Tax Levy Limit Before Adjustments/Exclusions **(\$51,000)**

Adjustments for Transfer of Local Government Functions

Tax Cap Summary Table

Shows what has already been entered on your form. Select "Edit this Form" or the link below to begin entering new data.



Step 1 of 15 - Prior Year Real Property Tax Levy

Prior year levy is the total amount that was levied on the tax rolls for the prior year. Determining which items to include in the levy figure can be complicated. If you are unsure, consult the guidance below.

How to Determine Your Prior Year Levy



Prior Year Real Property Tax Levy

According to the 2018 Tax Cap Form, the local government's proposed levy for the fiscal year ending 2018 was **\$62,710,071**

Does the proposed levy amount equal the amount actually levied?

- Yes, \$62,710,071 was the actual amount levied for the fiscal year ending 2018.
- No, the proposed levy differs from the actual amount levied. I will provide the actual amount levied for the fiscal year ending 2018.

x

Cancel

Save and Close



Next

Prior Year Levy

When determining your prior year levy, you should look at the amount levied on your tax roll and adjust for omitted taxes if necessary.



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Step 2 of 15 - Tax Cap Reserve

Only necessary if your locality exceeded the tax levy limit in the prior year without an override.

What is a Tax Cap Reserve?



What is a Tax Cap Reserve Offset?



Please provide the following...

Did your local government exceed the 2018 Tax Levy Limit without an override?

- Yes
 No

Tax Cap Reserve

Enter the amount that your local government levied in excess of the tax levy limit, including accrued interest, from the 2018 Fiscal Year.

Cancel

Save and Close

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Next

Prior Year Tax Cap Reserve Identified

Indicate if your village exceeded the prior year tax levy limit without an override. If so, enter the amount, including accrued interest, in the space provided.



Step 2 of 15 - Tax Cap Reserve

Only necessary if your locality exceeded the tax levy limit in the prior year without an override.

[What is a Tax Cap Reserve?](#)



[What is a Tax Cap Reserve Offset?](#)



Prior Year Tax Cap Reserve Offset

The Tax Cap Reserve amount that was used to reduce the tax levy limit for the fiscal year ending 2018 was **\$1,000**.

This amount is based on your fiscal year ending 2018 Tax Cap Form.

To make any adjustments to this amount, you would need to resubmit your 2018 Tax Cap Form. Please contact our office at (866)321-8503 for assistance.

Please provide the following...

Did your local government exceed the 2018 Tax Levy Limit without an override?

- Yes
 No

Cancel

Save and Close

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Prior Year Tax Cap Reserve Offset

This amount is prepopulated based on your prior year tax cap form. It should be the amount that you used last year to offset the adopted levy.



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Step 3 of 15 - Growth Factors

The Tax Base Growth Factor and Allowable Levy Growth Factor are provided below, if available.

What is a Tax Base Growth Factor?



What is an Allowable Levy Growth Factor?



Tax Base Growth Factor

A Tax Base Growth Factor of **1.0026** has been provided for this fiscal year.

Allowable Levy Growth Factor

Your Allowable Levy Growth Factor is **1.0200**.

Tax Base Growth Factor / Allowable Levy Growth Factor

If the [tax base growth factor](#) is provided by the State Department of Taxation and Finance, it will be prepopulated on the form. If it has not been calculated, you will be able to enter a value, but should contact OSC for guidance.

The [allowable levy growth factor](#) is calculated by OSC based on CPI-U.



Step 4 of 15 - Payments in Lieu of Taxes (PILOTs)

PILOT amounts should reflect what is/was expected to be collected during the fiscal year, not what is/was actually collected. These amounts should be based upon your PILOT agreements/schedules.

What is a PILOT?

Please provide the following...

Does your local government have PILOTs Receivable in the coming or prior fiscal year?

- Yes
- No

Prior Year PILOTs Receivable

This amount should not change to reflect what was actually collected for PILOT payments. You may, however, modify this prior year figure in order to rectify a material error.

According to your prior year Tax Cap Form, your PILOTs Receivable for the fiscal year ending 2018 was **\$0**.

- \$0 is the correct PILOT amount for the fiscal year ending 2018.
- Due to a material error, I need to modify the PILOT amount for the fiscal year ending 2018.

Prior Year PILOTs Receivable

Indicate if your village has PILOTs receivables. The amount you entered on your prior year form will be displayed. You have the option to use your prior year number or enter a corrected amount.



Coming Year PILOTs Receivable

PILOTs Receivable should be the amount of all PILOTs expected to be collected for the coming year, based in part on your PILOT agreements/schedules and budget.

Enter the total of any PILOTs Receivable for the fiscal year ending 2019.

Coming Year PILOTs Receivable

PILOTs receivable for the coming year is the amount of PILOTs expected to be collected for the coming year's budget. This figure will be subtracted from the property tax levy limit.



Step 5 of 15 - Torts

A portion of the costs resulting from court orders or judgements arising out of tort actions may be excludable from the tax levy limit. In general, tort actions do not include tax certiorari claims, contract claims, or administrative consent orders.

What is a Tort Exclusion?



Prior Year Tort Exclusion

Your fiscal year ending 2018 tort exclusion of \$0 has been used to reduce your current year levy limit calculation.

This amount is based on your fiscal year ending 2018 Tax Cap Form.

To make any adjustments to this amount, you would need to resubmit your 2018 Form. Please contact our office at (866)321-8503 for assistance.

Please provide the following...



Does your local government have a tax levy for costs associated with court orders or judgements arising out of tort actions in the coming fiscal year?

- Yes
 No

Tort Exclusion

In general, a tort action involves a claim for personal injury and/or property damage made against a village. This exclusion is not common and generally does not include items such as tax certiorari, contract claims, administrative consent orders, etc.



Please provide the following...



Does your local government have a tax levy for costs associated with court orders or judgements arising out of tort actions in the coming fiscal year?

- Yes
 No

Total Costs Arising from Tort Actions:



Enter the tax levy for costs arising from tort actions to be paid in the coming fiscal year.

3,200,000

Calculation

Total Costs Arising from Tort Actions: - 5% of Prior Year's Actual Tax Levy
\$3,200,000 \$3,135,000



Your Tort Exclusion:

\$65,000

Cancel

Save and Close

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Total Costs Arising from Tort Actions

A tax levy necessary for expenditures resulting from court orders or judgements against the village arising out of tort actions may be excluded from the tax levy limit for any amount that exceeds 5 percent of the total tax levied in the prior fiscal year.



Step 6 of 15 - Carryover

You are allowed to carry over the lesser of the two calculation results. Using all (or a portion) of your available carryover will increase your current tax levy limit.

<u>Calculation #1</u> \$3,105,951	OR	<u>Calculation #2</u> \$987,104
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How is Available Carryover Calculated?



If the total property taxes levied was less than the levy limit in the prior year, a local government or school district is permitted to carry over the lesser of the difference between what was actually levied and the levy limit or 1.5 percent of the prior year levy limit.

Please note that you may use the full carryover amount available, a portion of the amount available or none. Using all of the Available Carryover or a portion of it in the current year's calculation will increase your current year tax levy limit.

Also, if you had an error on the prior-year form and this amount is incorrect, you may calculate your carryover separately and enter it below, or contact our office to resubmit your prior-year form.

Available Carryover is calculated based on the information you have entered in both your prior year and current year forms.

<i>Calculation #1:</i>		<i>Calculation #2:</i>	
2018 Levy Limit	\$65,806,951	2018 Levy Limit	\$65,806,951
- <u>2018 Actual Levy + Reserve Offset</u>	- <u>\$62,701,000</u>	x <u>1.5%</u>	x <u>.0150</u>
	\$3,105,951		\$987,104

Available Carryover

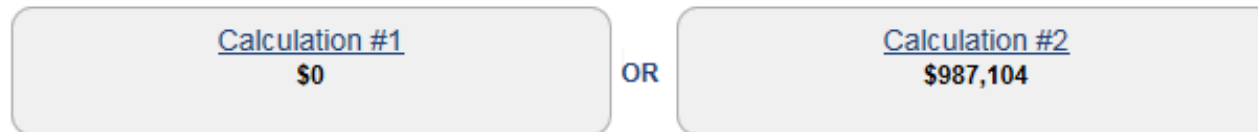
The maximum Available Carryover that you can apply to this year's tax cap calculation is **\$987,104**.

- I will carry over the full amount of \$987,104.
- I will carry over a lesser amount.



Step 6 of 15 - Carryover

You are allowed to carry over the lesser of the two calculation results. Using all (or a portion) of your available carryover will increase your current tax levy limit.



How is Available Carryover Calculated?



Available Carryover



No Carryover is available based on the information provided.

If you believe this to be incorrect, please contact our office at (866)321-8503, option 3, for assistance.

Carryover

If the total property taxes levied was less than the tax levy limit in the prior year, a local government is permitted to carry over the lesser of 1.5 percent of the prior year levy limit or the difference between what was actually levied and the levy limit.



Step 7 of 15 - Teachers' Retirement System Pension Exclusion

For the fiscal year ending 2019, there is no exclusion for the Teachers' Retirement System.



Step 8 of 15 - Employees' Retirement System Exclusion

For the fiscal year ending 2019, there is no exclusion for the Employees' Retirement System.

Step 9 of 15 - Police and Fire Retirement System Exclusion

For the fiscal year ending 2019, there is no exclusion for the Police and Fire Retirement System.



Step 10 of 15 - Transfer of Local Government Functions

OSC determines the associated costs/savings and adds it to the form.

Reporting a Transfer of Local Government Functions

Has your local government had a Transfer of Function?

- Yes
 No

Have you already reported the Transfer of Function to our office?

- Yes
 No

How to Proceed...

Please provide a description of the function being transferred, the local governments involved and the date the transfer will occur.

After the form is submitted, someone from our office will contact you .

Transfer of Function

Occurs when both the cost and responsibility for providing a function has transferred from one local government to another. For example, if a village court dissolves and the town court now performs the function for both the town and the village, you should check yes. If you haven't contacted our office, enter that information into the form.



Step 11 of 15 - Tax Levy Limit Calculation

This is the maximum that a local government may raise in taxes without passing an override.

Tax Levy Limit, Before Adjustments and Exclusions	
✓ Real Property Tax Levy FYE 05/31/2018	\$66,000,000
✓ Tax Cap Reserve Offset from FYE 2017 Used to Reduce 2018 Levy	\$1,000
✓ Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2018	---
✓ Tax Base Growth Factor	1.0026
✓ PILOTs Receivable FYE 05/31/2018	---
✓ Tort Exclusion Amount Claimed in FYE 05/31/2018	\$0
✓ Allowable Levy Growth Factor	1.0200
✓ PILOTs Receivable FYE 05/31/2019	---
✓ Available Carryover from FYE 05/31/2018	\$0
Tax Levy Limit Before Adjustments/Exclusions	\$67,496,055
Adjustments for Transfer of Local Government Functions	
✓ Costs Incurred from Transfer of Local Government Functions	\$0
✓ Savings Realized from Transfer of Local Government Functions	\$0
Total Adjustments	\$0
Tax Levy Limit, Adjusted for Transfer of Local Government Functions	\$67,496,055
Exclusions	
✓ Tort Exclusion	\$0
✓ Teachers' Retirement System Exclusion	\$0
✓ Employees' Retirement System Exclusion	\$0
✓ Police and Fire Retirement System Exclusion	\$0
Total Exclusions	\$0
Your FYE 2019 Tax Levy Limit, Adjusted for Transfers plus Exclusions	\$67,496,055



Step 12 of 15 - Proposed Levy

The proposed levy should be calculated considering all of the same elements as in the prior-year levy and should be net of any required Tax Cap Reserve.

What should be included in the proposed levy?



Proposed Levy

Fiscal year ending 2019 Tax Levy Limit, Adjusted for Transfers plus Exclusions

\$67,496,055

Fiscal year ending 2019 Proposed Levy

67,000,000

Difference Between Tax Levy Limit and Proposed Levy

\$496,055



Step 12 of 15 - Proposed Levy

The proposed levy should be calculated considering all of the same elements as in the prior-year levy and should be net of any required Tax Cap Reserve.

What should be included in the proposed levy?



Proposed Levy

Fiscal year ending 2019 Tax Levy Limit, Adjusted for Transfers plus Exclusions

\$67,496,055

Fiscal year ending 2019 Proposed Levy

Difference Between Tax Levy Limit and Proposed Levy

(\$503,945)



Warning!

Based on the information you provided, the proposed levy is greater than your tax levy limit.

An override is required to exceed the tax levy limit.

Cancel

Save and Close

Previous

Next



Step 13 of 15 - Tax Cap Override

Local governments and school districts can exceed the tax levy limit by passing an override.

What is a Tax Cap Override?



Tax Cap Override



Do you plan to override the cap in the fiscal year ending 2019?

- Yes
- No



Step 14 of 15 - Summary

Please review this summary screen for accuracy and make any necessary changes before submitting on the next screen. Although the form assists you with the levy limit calculation, it is your responsibility to ensure the accuracy of all elements used in determining your tax levy limit.

Tax Levy Limit, Before Adjustments and Exclusions	
✓ Real Property Tax Levy FYE 05/31/2018	\$66,000,000
✓ Tax Cap Reserve Offset from FYE 2017 Used to Reduce 2018 Levy	\$1,000
✓ Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2018	---
✓ Tax Base Growth Factor	1.0026
✓ PILOTs Receivable FYE 05/31/2018	---
✓ Tort Exclusion Amount Claimed in FYE 05/31/2018	\$0
✓ Allowable Levy Growth Factor	1.0200
✓ PILOTs Receivable FYE 05/31/2019	---
✓ Available Carryover from FYE 05/31/2018	\$0
Tax Levy Limit Before Adjustments/Exclusions	\$67,496,055
Adjustments for Transfer of Local Government Functions	
✓ Costs Incurred from Transfer of Local Government Functions	\$0
✓ Savings Realized from Transfer of Local Government Functions	\$0
Total Adjustments	\$0
Tax Levy Limit, Adjusted for Transfer of Local Government Functions	\$67,496,055
Exclusions	
✓ Tort Exclusion	\$0
✓ Teachers' Retirement System Exclusion	\$0
✓ Employees' Retirement System Exclusion	\$0
✓ Police and Fire Retirement System Exclusion	\$0
Total Exclusions	\$0
Your FYE 2019 Tax Levy Limit, Adjusted for Transfers plus Exclusions	\$67,496,055
✓ Total Tax Cap Reserve Amount Used to Reduce 2019 Levy	---
✓ FYE 2019 Proposed Levy, Net of Reserve	\$67,000,000
Difference Between Tax Levy Limit and Proposed Levy	\$496,055
✓ Do you plan to override the Tax Cap in 2019?	No



Property Tax Cap

Village of Hempstead (280438602210)
Fiscal Year Ending: 05/31/2019

Form Status: **Unsubmitted**

Home

Tax Cap
Form Selection

Tax Cap
Printable Summary

Tax Cap Website

Levy Limit Formula

Feedback

How to Proceed...

This Form is ready for submission.

Click here to

Submit this Form

If necessary, you can make changes to the Form by selecting a Topic below.



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Submit Your Tax Cap Form

Once you have reviewed the form for accuracy and are ready to file, please fill out your contact information and submit your form.

Local Government Responsibility

Local officials are responsible for determining the tax levy limit for their local government.

Although this Tax Cap Form contains pre-populated information for your convenience, and assists you with Tax Cap calculations, it is incumbent on you to ensure that the information is accurate.

Click here to [review your information or make changes to the Form](#).

Certifier Information

First Name:

Last Name:

Title:

Phone Number:

Email Address:

I hereby submit this Real Property Tax Cap Form for the Village of [REDACTED] on 03/20/2018.



Contact Information

- Department of Taxation and Finance
 - Credit Calculation/Tax Rolls – 518-453-8146
 - Tax Base Growth Factor – 518-591-5233
 - www.tax.ny.gov/pit/property/property_tax_freeze.htm
- Office of the State Comptroller
 - 1-866-321-8503
 - Option 1 – Technical, Enrollment, Password Issues
 - Option 3 – Tax Cap and Tax Cap Compliance application questions
 - www.osc.state.ny.us/localgov/realprop/index.htm



Questions?

Please use the questions box to submit your questions.



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Thank You

Division of Local Government and School Accountability
localtraining@osc.state.ny.us



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