

Tax Cap Calculation is a two-step Process

1. Compute Tax Levy Limit
2. Compute Maximum Allowable Tax Levy

Tax Levy Limit Calculation

$$\begin{aligned} & \text{Prior Year Tax Levy (11-12)} \\ & \quad \times \\ & \text{Tax Base Growth factor (1.0054)} \\ & \quad + \\ & \text{PILOTS received 11-12} \\ & \quad - \\ & \text{Prior Year Exemptions (excludes ERS \& TRS costs)} \\ & \quad = \\ & \text{Adjusted Prior Year Tax Levy} \\ & \quad \times \\ & \text{Allowable Growth Factor (1.02)} \\ & \quad - \\ & \text{2012-13 PILOT Payments} \\ & \quad + \\ & \text{Available Carryover, if any (Zero for 1}^{\text{st}} \text{ Year)} \\ & \quad = \\ & \text{Tax Levy Limit} \end{aligned}$$

Tax Levy Limit Key Terms

Tax Base Growth Factor – used to adjust the tax levy limit for actual physical growth in the tax base, i.e. new properties or significant brick and mortar additions. Was recently released for Homer this factor is 1.0054. Will never be less than 1.0.

PILOT- is Payment in Lieu of Taxes Agreement between the District and another entity for specified period of time.

Prior Year Exemptions – 1) Local share of capital tax levy, Tort liability costs exceeding 5% of budget. SED has yet to publish specifics guidance fully describing the capital exemption.

Allowable Levy Growth Factor – is the lesser of the Consumer Price Index or 2%, determined annually

Available Carryover – Prior Year Tax Levy Limit minus the Prior Year Tax Levy not to exceed 1.5% of the prior year tax levy limit. There is no allowable carryover for year one of the Tax Cap in 12-13.

DRAFT Homer CSD Tax Cap Calculation

Prior Year Tax Levy.....	\$14,843,955
Tax Base Growth Factor.....	<u>x 1.0054</u>
	\$14,924,112
Prior Year PILOTS	<u>+ 13,000</u>
	\$14,937,112
Prior Year Exemptions	- 1,044,237
Adjusted PY Levy.....	\$13,879,875
Allowable Growth Factor	<u>x 1.02</u>
	\$14,157,473
12-13 PILOTS	<u>- 1,000</u>
	<u>\$14,156,473</u>
Available Carryover	+ 0
Tax Levy Limit	\$14,156,473

Maximum Allowable Tax Levy

Tax Levy Limit

+

2012-13 School Year Exemptions

(Capital Exemptions & ERS/TRS over 2.%)

=

Maximum Allowable Tax Levy

2012-13 School Year Exemptions

Capital Tax Levy/Local Share of Capital

(Debt Service minus state aid for buildings and buses)

Tort Liability other than Tax Certioraris

None expected for Homer CSD

Pension Exemption:

Applies only when employer contribution rates for ERS or TRS increase by more than 2% and only for the portion above 2%. ERS rate going from 16.3% to 18.9 in 12-13, so .6% will be exempt. TRS rate increase will not exceed 2% for 12-13, therefore no exemption for TRS.

Homer CSD Maximum Allowable Tax Levy

Tax Levy Limit		\$14,156,473
+		
Exemptions		
	2012-13 Capital Tax Levy	\$1,020,480
	ERS Increase .6%	\$19,654
	TRS Increase N/A	\$0
=		
Maximum Allowable Tax Levy		\$ 15,196,607
	(Estimated)	(Estimated)

Homer CSD Maximum Allowable Tax Levy

2011-12 Tax Levy

\$14,843,955

2012-13 Tax Levy

\$15,196,607

Allowable Tax Levy Increase

\$ Difference = \$352,652

% Difference = 2.375%