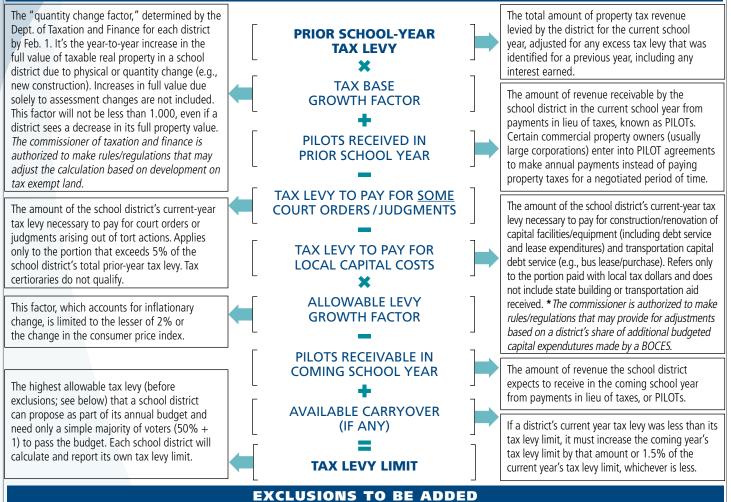
New York's tax levy "cap" law does not restrict any proposed tax low income to a law to be a set of the law income to a set of the law income to a set of the law to be a set of the la Tax Levy "Cap" Formula: the law, each school district must follow an 8-step calculation, outlined below, How does it add up? to calculate its individual "tax levy limit." That limit then determines what level of voter support is required for budget approval.

THE BASE FORMULA



The law excludes certain portions of a school district's tax levy from the calculation above. A district can add these exclusions (described below) to its tax levy limit, increasing the amount of taxes the district is allowed to levy while still needing only a simple majority of voters for budget approval.

TAX LEVY TO PAY FOR SOME PENSION CONTRIBUTION COSTS

Applies only when the employer contribution rates set by the statewide pension systems (TRS and ERS) increase by more than 2 percentage points from one year to the next. Even with this exclusion, most—if not all—pension costs must be funded within a school district's tax levy limit.

TAX LEVY TO PAY FOR SOME **COURT ORDERS/JUDGMENTS**

The amount of the school district's coming-year tax levy necessary to pay for court orders or judgments arising out of tort actions. Only the amount that exceeds 5% of the school district's prior-year total tax levy can be excluded from the tax levy limit. Tax certioraries cannot be excluded.

TAX LEVY TO PAY FOR SOME LOCAL CAPITAL COSTS

The amount of the school district's comingyear tax levy necessary to pay for construction/ renovation of capital facilities or equipment (including debt service and lease expenditures) and transportation capital debt service. This exclusion refers only to the portion paid with local tax dollars (i.e., does not include state building or transportation aid received).*



MAXIMUM ALLOWABLE TAX LEVY

The tax levy limit plus exclusions. This is the highest total tax levy that a school district can propose as part of its annual budget for which only the approval of a simple majority of voters (50% + 1) is required.



Produced by the Capital Region BOCES Communications Service (http://www.capitalregionboces.org), in consultation with the Questar III BOCES State Aid and Financial Planning Service. Published January 2016.

÷

