

## Real Property Tax Levy Limit Law ("Tax Cap")

- Starts (for Saugerties CSD) in 2012/13 School Year
- Only Real Property Taxes limited – not other revenue sources
- Tax Cap limits only total tax levy by school district – NOT assessed values or tax rates
- The total tax levy can rise with a majority vote by up to 2% or the inflation rate – whichever is less
  - Inflation rate (CPI-U) is for the period ended 6 months prior to the beginning of the fiscal year
  - Overriding the Tax Cap is allowed, but must be approved by a 60% vote
  - After two unsuccessful votes, total tax levy must be less than or equal to prior year levy
  - The levy can be adjusted upward by a tax base growth factor, determined by NYS Department of Tax & Finance, reflecting “bricks & mortar” development
  - If levy for a year is less than the levy limit, up to 1.5% may be “carried over” to the next year
  - A pension contribution exclusion may be available (the amount over a 2% increase in rate)
  - Also certain tort and capital exclusions
  - No exclusion for rising health care costs, local portion of State health/social service programs, environmental mandates, other State mandates
- NYS Office of State Comptroller role:
  - Accept submission of information to calculate tax cap by March 1 (schools must also submit information to NYSED and NYS Department of Tax & Finance)
  - Will not certify calculations
  - Will not correct inaccurate data
  - May audit for compliance with Tax Cap – with regular audit, not annually