

To: Susan Swartz, Superintendent  
From: Drew Giaquinto, Business Administrator  
Subject: Tax Cap Calculation  
Date: February 3, 2024



The maximum allowable tax levy cap for 2024-25 is \$33,418,948, an increase of **\$929,783** from the 2023-24 tax levy of \$32,489,165. The tax levy is allowed to increase by \$929,783 or **2.86%** and be approved by a simple majority vote on the May 21, 2024, proposition. The district is allowed to go out with the revised or same budget if the first proposition is defeated or go directly to a contingent budget. A second defeated budget requires the district to default to a contingent which maintains the tax levy at the 2023-24 amount. The 2023-24 maximum allowable tax levy cap was **4.33%** and the actual district tax levy increase was **2.99%** or \$941,814. **The tax rate increased 1.49% in 2023-24.**

The tax cap calculation is a formula based on the consumer price index (CPI) change or 2%, whichever is less or the growth factor. **The growth factor is at 2% for 2023-24 as the CPI was 4%.**

The formula then takes into consideration the prior year PILOTS (**payment in lieu of taxes**) used in the tax cap calculation vs. the new budget for PILOTS. The district's PILOTS are increasing by \$78,859 (expansion of Adirondack Beverage). The increase gives the district less room under the tax cap formula.

Another key component of the tax cap formula is **the capital exclusion** calculation. This is the net debt service of the district from the prior year compared to the net debt service in the new budget year. This is the building aid for each of our state aided projects, related to the debt service we have on the books (principal and interest) as well as the net

capital expenditures in transportation and with BOCES. Our capital exclusion increases in the 24-25 calculation as we have the total debt and related building aid coming on the books for the \$12.8 million project. The net change in the capital exclusion is \$227,244 which increases the district's room under the cap. The tax base growth factor being at 1.004 adds an additional \$126,500 of room under the tax cap.

In summary:

Tax Levy 2023-24	\$32,489,165
2% CPI	649,783
Net change capital exc.	227,244
Net change PILOTS	(78,859)
Tax base growth factor	126,531
ERS exclusion	5,084

Total maximum allowable increase \$929,783  
Total tax levy allowed under the cap \$33,418,948 (2.86%)

We are required to submit the district's decision to override the Tax Cap for 2024-25 by March 1, 2024. Since the inception of the tax cap in 2011-2012, the district overrode the tax cap once, (in 2014-15 when the tax cap was .79% and the district went out with a 1.76% tax levy increase). The district has gone out below the cap 7 times and at the cap, 4 times. We may change our position up to the time the Board adopts the budget for the May proposition.

I have attached the tax levy limit before adjustments and exclusions analysis to support the calculation.

Please let me know if you should have questions or require additional information. Per our discussion at the last board meeting in January 2024, we will present to the Board of Education on February 12<sup>th</sup>, 2024.

# Tax Cap Form

Scotia-Glenville Central School District (420633100200)

Fiscal Year Ending: 06/30/2025

2.86%

## Summary

### Tax Levy Limit, Before Adjustments and Exclusions

✓	Real Property Tax Levy FYE 2024	\$32,489,165
✓	Tax Cap Reserve Offset from FYE 2023 Used to Reduce FYE 2024 Levy	\$0
✓	Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2024	--
✓	Tax Base Growth Factor	1.0040
✓	PILOTs Receivable FYE 2024	\$1,273,218
✓	Tort Exclusion Amount Claimed in FYE 2024	\$0
✓	Capital Tax Levy Exclusion FYE2024	\$1,320,255
✓	Allowable Levy Growth Factor	1.0200
✓	PILOTs Receivable FYE 2025	\$1,352,077
✓	Available Carryover from FYE 2024	--
	<b>Tax Levy Limit Before Adjustments/Exclusions</b>	<b>\$31,871,449</b>
	<b>Exclusions</b>	
✓	Tort Exclusion	\$0
✓	Capital Tax Levy Exclusion FYE2025	\$1,542,415
✓	Teachers' Retirement System Exclusion	\$0
✓	Employees' Retirement System Exclusion	\$5,084
	<b>Total Exclusions</b>	<b>\$1,547,499</b>
	<b>Your FYE 2025 Tax Levy Limit, Adjusted for Transfers plus Exclusions</b>	<b>\$33,418,948</b>
✓	Total Tax Cap Reserve Amount Used to Reduce FYE 2025 Levy	--
✓	FYE 2025 Proposed Levy, Net of Reserve	\$33,418,948
	<b>Difference Between Tax Levy Limit and Proposed Levy</b>	<b>\$0</b>
✓	Do you plan to override the Tax Cap for FYE 2025 ?	No

## History

Date and Time	Status Changed To	User
02/17/2023 9:58:39 AM	Form was created (Form Status set to: Unsubmitted)	Sheri Tyrell