

Factors That Impact Tax Rates

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- Budget **Controlled By District**
- Tax Levy **Partially Controlled By District**

- State Aid **Approved by the State**
- Equalization Rates **Calculated by the Office of Real Property**

- Assessments **Determined by Local Municipality**

How True Value Impacts Tax Rates

The tax levy is apportioned to each town in the District by determining the percent of apportionment (True Value of a Town/True Value of the District).

$$\text{Example: } \frac{\text{True Value of Town B}}{\text{True Value of the District}} = \frac{\$445,595,962}{\$1,662,711,284} = 26.79\% \text{ (percent of apportionment)}$$

Therefore Town B would pay for 26.79% of the Tax Levy

How does equalization rates impact true value?

The equalization rate is used to calculate a town's true value. In addition:

If a town's equalization rate increases, the town's true value decreases.

If a town's equalization rate decreases, the town's true value increases.

How does the tax burden get shifted from one town to another?

One Example

If the true value decreases in 4 out of the 5 towns in the District, and the true value increases in only one town, then a shift in the tax burden will go to the town whose true value increased.

Example of a Shift in the Tax Burden

True Value

Town	Year 1 True Value	Year 2 True Value	Decrease/Increase
Town A	\$5,409,412	\$5,100,959	(\$308,453)
Town B	\$439,248,956	\$445,595,962	\$6,347,006
Town C	\$224,339,004	\$212,506,626	(\$11,832,378)
Town D	\$579,670,026	\$534,815,827	(\$44,854,199)
Town E	\$489,055,316	\$464,691,910	(\$24,363,406)
Total Value	\$1,737,722,714	\$1,662,711,284	(\$75,011,430)

Percent of Apportionment of The Tax Levy

Town	Year 1 % of Apportionment of The Tax Levy	Year 2 % of Apportionment of The Tax Levy	Decrease/Increase
Town A	0.3%	0.3%	Same
Town B	25.3%	26.8%	Increase
Town C	12.9%	12.8%	Decrease
Town D	33.4%	32.2%	Decrease
Town E	28.1%	27.9%	Decrease

Why are taxes not capped at 2%?

The tax levy limit is not a 2% cap nor is it a cap on individual tax bills. It is an eight step formula that calculates the levy to be collected requiring a simple majority of voters (50%+1). In addition, the change in True Value of each town will have an impact on tax rates as demonstrated on the previous two slides.

What is the Impact of the 2% Cap on STAR Savings

Beginning in 2011-12, the STAR savings applied to tax bills was capped at 2%; therefore, taxpayers incurred a loss in STAR savings. The next slide demonstrates the impact the 2% cap on the STAR savings has on tax bills for 2012-13.

Please note that the STAR savings cap and the Tax levy cap have no relationship with one another.

2% Cap on STAR Savings

Basic Exemption

Town	Star Savings w/o 2% cap	Star Savings with 2% cap	Increase in taxes on school tax bill due to the cap
Newburgh	\$1194	\$995	\$199
Gardiner	\$807	\$764	\$43
Plattekill	\$835	\$727	\$108
Shawangunk	\$791	\$721	\$70
Montgomery	\$948	\$912	\$36

Enhanced Exemption

Town	Star Savings w/o 2% cap	Star Savings with 2% cap	Increase in taxes on school tax bill due to the cap
Newburgh	\$2519	\$1992	\$527
Gardiner	\$1704	\$1529	\$175
Plattekill	\$1761	\$1456	\$305
Shawangunk	\$1671	\$1444	\$227
Montgomery	\$2000	\$1825	\$175

If the State did not cap the STAR savings, individual tax bills would have been reduced by the amounts (in red) displayed on the above charts