

Fiscal Year March 1, 2013-February 28, 2014

**THE 2% TAX CAP AND YOUR PROPERTY TAX--NOT AS STRAIGHT-FORWARD AS ONE MAY THINK.  
For Northport, Per New York State Law, The 2% Cap Translates Into A 2.84% Increase In The Tax Rate.**

**Part I: The Tax Cap – Calculations and Totals**

- A. The 2% Property Tax Cap is not a cap on each taxpayer's tax bill. It is a cap on the increase in the Real Property Tax Levy.
- B. The total Village budget for Fiscal Year (FY) 2012-13 was \$13,536,569; part of that, \$3,325,871, was revenue received from non-property tax sources. The balance, \$10,210,698, constituted the Village's Real Property Tax Levy.
- C. A simple 2% Real Property Tax Cap would mean an increase in the Tax Levy of \$204,214, giving a levy capped at \$10,414,912.  
HOWEVER:
- D. The 2% Real Property Tax Cap is figured with various adjustments.
- E. Here is how it is really figured, using numbers specific to Northport:

Tax Levy Limit (Cap) Before Adjustments and Exclusions	
1. Tax Levy FYE 02/28/2013	10,210,698
2. Tax Base Growth Factor	x 1.0000 *
	10,210,698
3. PILOTS receivable in prior Fiscal Year (FY 2011 - 2012)	+ \$0
	\$10,210,698
4. Allowable Levy Growth Factor	x 1.0200 **
	10,414,912
5. PILOTS receivable in the coming Fiscal Year (FY 2012 - 2013)	- \$0
6. Total Levy Limit Before Adjustments/Exclusions =	10,414,912
Adjustments for Transfer of Local Government Functions	
7. Costs incurred from transfer of local government functions	+ \$0
8. Savings realized from transfer of local government functions	- \$0
9. Total Adjustments	\$0
6. Total Levy Limit Before Adjustments/Exclusions =	+ 10,414,912
	10,414,912
10. Tax Levy Limit, Adjusted for Transfer of Local Government Functions	
Adjustments for Exclusions	
11. Tax Levy necessary for expenditures resulting from tort orders/ judgements over 5% Fiscal Year End 02/28/2012 tax levy	+ \$0
12. Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial contribution rate (ERS; PFRS) or normal contribution rate (TRS) in excess of 2 percentage points: ***	
a. State and Local Employees' Retirement System (ERS)	+ 0
b. Police and Fire Retirement System (PFRS)	+ 29,053
c. Teachers' Retirement System (TRS)	+ 0
13. Total Exclusions	29,053
10. Tax Levy Limit, Adj. for Transfer of Local Gov't Functions	10,414,912
14. Tax Levy Limit, Adjusted for Transfers And Exclusions	10,443,965

F. Put into everyday language, the Real Property Tax Cap for Northport is 2.2845%:  
 Adjusted Tax Levy Limit: 10,443,965  
 Minus the 2011-12 Tax Levy: 10,210,698  
 Capped \$ Inc. Per NY State: 233,267 which is 2.2845 %, not 2%, of 10,210,698.  
**Thus, for Northport's 2013-14 budget, the actual NYS "capped" increase in the Tax Levy is 2.2845 %.**  
**But our Property Tax Is Based On The Tax Rate .**

**Part II: The Capped Tax Levy, The Tax Rate, And Our Property Tax – Calculations and Totals**

- A. The total amount to be raised in property taxes (the Real Property Tax Levy) is shared by property owners in proportion to the assessed values of their properties. Here is how it works:

		FY 2013-14 At	FY 2012-13	
		<u>Cap Level</u>	<u>Current</u>	<u>Difference</u>
The Tax Rate is The Property Tax Levy Divided By The Village Assessed Value.	Real Property Tax Levy at the Capped Level: Divided by the Village Assessed Value: Tax Rate:	10,443,965	10,210,698	233,267
		17,810,378	17,897,028	-86,650
		0.5864	0.5705	0.0159
		0.5864 is 2.78% more than 0.5705. Thus, the actual % increase in the Tax Rate from FY 2012-13 to 2013-14 that meets the NYS 2% Tax Cap Level is: 2.78%		

- B. Your Property Tax is the Assessed Value of your property times the Tax Rate.

\* The State's "determination of "quantity change," such as new construction, newly taxable status of existing property, or measurable improvements to taxable property within the boundaries of the local government or school district."  
 \*\* Allowable Levy Growth Factor is "Lesser of 1.02 or inflation factor (percent change in CPI for the 12 month period ending 6 months before the start of the coming fiscal year over the prior 12-month period), but never lower than 1.00."  
 \*\*\* Pension exclusion values provided to Northport Village by New York State.