



Roselle School District 12

2021 Tax Levy



Terminology

- **Tax Levy:** the request of funds by the district which will be filed with the county clerk prior to the last Tuesday in December
- **Tax Extension:** the actual amount calculated by the county clerk to be placed on the bills to be collected
- **EAV:** Equalized Assessed Valuation. The assessed value for tax purposes on a piece of property is $\frac{1}{3}$ of its fair cash value (if your home is worth \$300,000, its equalized assessed valuation would be \$100,000)
- **CPI:** Consumer Price Index. As it pertains to property taxes, this is the percentage change in CPI for all urban goods from one December to the next. CPI represents the limit the district can increase its levy from one year to the next for all capped funds.
- **New property:** property that was either built or property that was previously exempt but is now taxable.

A decorative gray square with rounded corners, partially overlapping the title.

Sequence of Events

- November 16, 2021 -- Board reviews tentative levy
- December 21, 2021 -- Board approves final levy
- Prior to December 28, 2021 -- Levy will be filed with DuPage County Clerk
- March/April 2022 -- Clerk uses finalized EAV and new property numbers to provide extension amounts to school districts
- May/June 2022 -- District receives first round of property taxes from 2021 levy



Property Tax Extension Limitation Law (PTELL)

- Commonly referred to as “Tax Caps”
- Limits how much the district can increase its property tax revenue from one year to the next (by CPI or 5%, whichever is lower)
- County Clerk’s office calculates a **limiting rate** that all capped funds cannot exceed
- If the district’s levy exceeds the limiting rate, the county clerk reduces those funds accordingly

CPI Over the Last Decade

Year	CPI	Levy Year	Years Taxes Paid
2011	3.0%	2012	2013
2012	1.7%	2013	2014
2013	1.5%	2014	2015
2014	0.8%	2015	2016
2015	0.7%	2016	2017
2016	2.1%	2017	2018
2017	2.1%	2018	2019
2018	1.9%	2019	2020
2019	2.3%	2020	2021
2020	1.4%	2021	2022



How is the Limiting Rate calculated?

$$\text{Limiting Rate} = \frac{(1 + \text{Lesser of 5\% or CPI}) \times (\text{Prior Year Extension} + \text{New Property})}{\text{Total EAV}}$$

Estimated Limiting Rate: 2.9143

Estimated Capped Extension: \$9,932,942



Is the Estimated Capped Extension Our Levy?

NO

- At this time, EAV and new property are just *estimates* provided to us by the Township Assessor's office
- If we do not maximize our ask, then we potentially leave money on the table (We will not receive any money that we are entitled to if we do not ask for it)
- Therefore, it is recommended that the board ask for more than we think we will receive as a way to hedge bets against incorrect estimates
- The board is likely interested in keeping the capped levy below a 5% increase in order to avoid triggering "Truth in Taxation"



2020 Levy vs. Extension

Levy: \$10,024,092

Extension: \$9,780,655

Estimated Capped Extension (November 2020): \$9,780,555

Why such a big discrepancy between levy and extension?

Mistakenly under-levying by \$20,000 in 2011 would have cost the district \$216,756 over the last decade!

2020 Property Tax Levy and Extension

Fund	2020 Levy	Extension	Rate
Education	\$8,247,783	\$8,247,556	2.7248
Oper./Maint.	\$1,281,952	\$1,250,693	0.4132
IMRF	\$81,062	\$19,372	0.0064
Transportation	\$350,963	\$242,451	0.0801
Social Security	\$62,332	\$20,583	0.0068
Total Capped	\$10,024,092	\$9,780,655	3.2313

Proposed 2021 Tax Levy

Fund	2020 Extension	2021 Proposed Levy	Difference	% Change
Education	\$8,247,556	\$9,389,466	\$1,141,910	12.1%
Oper./Maint.	\$1,250,694	\$420,663	(\$830,031)	-66.9%
Transportation	\$242,451	\$306,256	\$63,805	24.4%
IMRF	\$19,372	\$52,626	\$33,254	167.5%
Social Security	\$20,583	\$96,300	\$75,717	360.7%
Total Capped	\$9,780,655	\$10,265,311	\$484,656	4.96%



Next Year...

- CPI projected to exceed 5% for the first time since PTELL was enacted
- District will have to have Truth in Taxation hearing
- Administration will work collaboratively with the Board and Finance Committee to address this situation

