Historical # KISD <u>M&O</u> Tax Rate

Tier 1 vs. Tier 2

Tier 1
The portion of the M&O tax rate that previously comprised the first $1.00 in prior law but is now based on the maximum compressed tax rate (MCR).

Tier 2
The portion of the M&O tax rate that is comprised of five golden pennies (not requiring voter approval) and 12 voter-authorized enrichment pennies (3 golden and 9 copper).

House Bill 3

Tier	Pennies	Action
Tier Two Copper Pennies	9-17	Voter Approval Required
Tier Two Golden Pennies	6-8	
	1-5	No Voter Approval
Tier One	0 to MCR	No Voter Approval

Pre House Bill 3 – House Bill 3 (2019) – Today

Under House Bill 3

- The golden penny number was increased from 6 to 8.
- The tax compression required for the enrichment tax rate was applied only to copper pennies, with a compression rate of 0.64834. ($0.09 x 0.64834 = $0.0583)
- $0.0317 copper pennies are available with voter approval required.