



# 2023 Tentative Tax Levy

*New Berlin C.U.S.D. #16*

*November 21, 2023*

Presented by:

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Chief Financial Officer



# What is a Tax Levy?

- *Taxing District*
  - *Unit of local government, school district, or community college district with the power to levy property taxes.*
- *Levy*
  - *Total property tax revenue requested by a taxing district from taxpayers to fund operations in a fiscal year.*
  - *The District must file a Certificate of Tax Levy by the last Tuesday in December.*
- *Tax Extension*
  - *Is the amount of taxes billed to property taxpayers of the taxing district in the previous year.*
- *Equalized Assessed Value (EAV)*
  - *Equal to 1/3 of the market value of a parcel of real property.*
- *Tax Rate*
  - *The amount of tax due stated as a percentage of the total EAV.*

# Levy Process

Date	Task
November 21, 2022	Presentation of Tentative Tax Levy
November 21, 2022	Approve a Tentative Tax Levy
November 25, 2022	Publish levy hearing notice in local newspaper (if necessary)
December 16, 2022	Board Holds Public Hearing for Tax Levy (if necessary)
December 16, 2022	Board Approves Final Tax Levy
Prior to December 28, 2022 (last Tuesday in December)	File Levy with County Clerks (Sangamon and Morgan Counties)
March/April, 2023	Verify Levy and Extension
May 2023	County sends out tax bills
June/July 2023	Collections begin and 1 <sup>st</sup> payment received

# Levy Process

- *PTELL – Property Tax Extension Limitation Law*
  - *Limits annual extension of taxes to the CPI or 5% whichever is less (excluding new property)*
  - *CPI for 2022 Tax Levy is 7.0% (December 2021)*
- *Determine Tax Extension*
  - *Estimate EAV based on history and most recent trends*
  - *Calculate Estimated Limiting Rate*

*Limiting Rate:  $\frac{\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI})}{\text{Total EAV} - \text{New Construction}}$*
  - *Estimated Property Tax Extension*
- *Certificate of Tax Levy*
  - *The District's request for the maximum tax to be extended.*
  - *Request Whole Dollar Amount as tax rate will fluctuate with changes in the EAV*
  - *Board to approve final tax levy in December*
  - *Final EAV figures will be available in April*

# Things We Know

- *CPI is 7.0%; District will be limited to 5%*
- *Based on PTELL, Estimated EAV and New Construction, we expect to see an overall increase in tax extension of 4.58% (Total=\$9,660,386)\**
- *Levy request represents 23.21% increase over last year's extension (\$9,994,000)\**
- *This levy request allows the district to account for unforeseen circumstances that may affect final calculations*

*\* Does not include Bond & Interest*



# Calculation

*Limiting Rate:*

*(Prior Year Extension x (1+Lesser of 5% or CPI))*  
*(Total EAV - New Construction)*

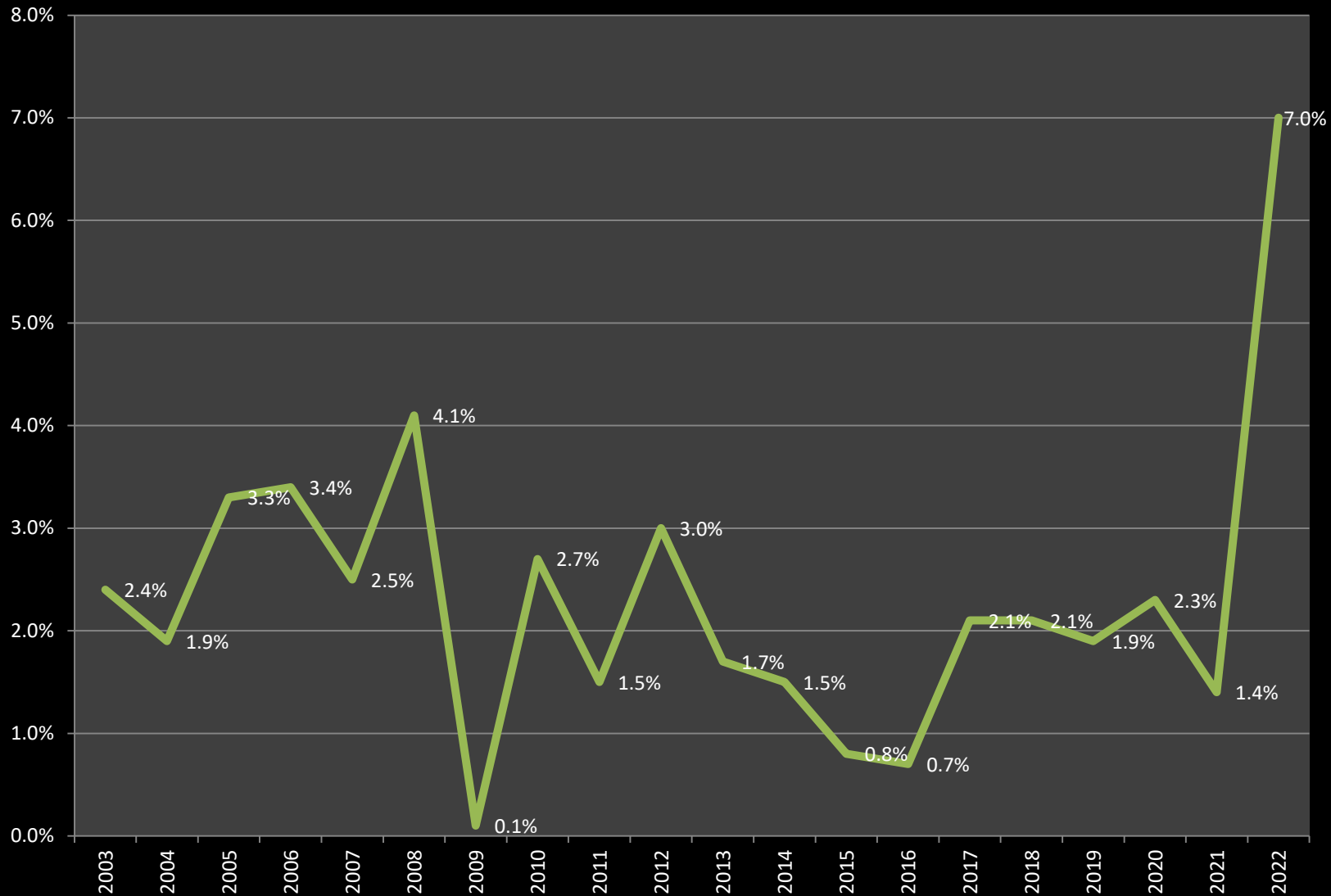
<b>Limiting Rate</b>	<b>\$8,111,596 x (1 + 0.0500)</b> <b>(\$220,675,684 – \$3,329,927)</b>	<b>= 3.9187%</b>
Estimated Capped Extension	Total EAV x Limiting Rate	
	\$220,675,684 x 0.039187	= \$8,647,666*
* Represents 6.60% increase over 2021 Tax Extension		



# Historical Data



# CPI History (20 Year Average = 2.3%)

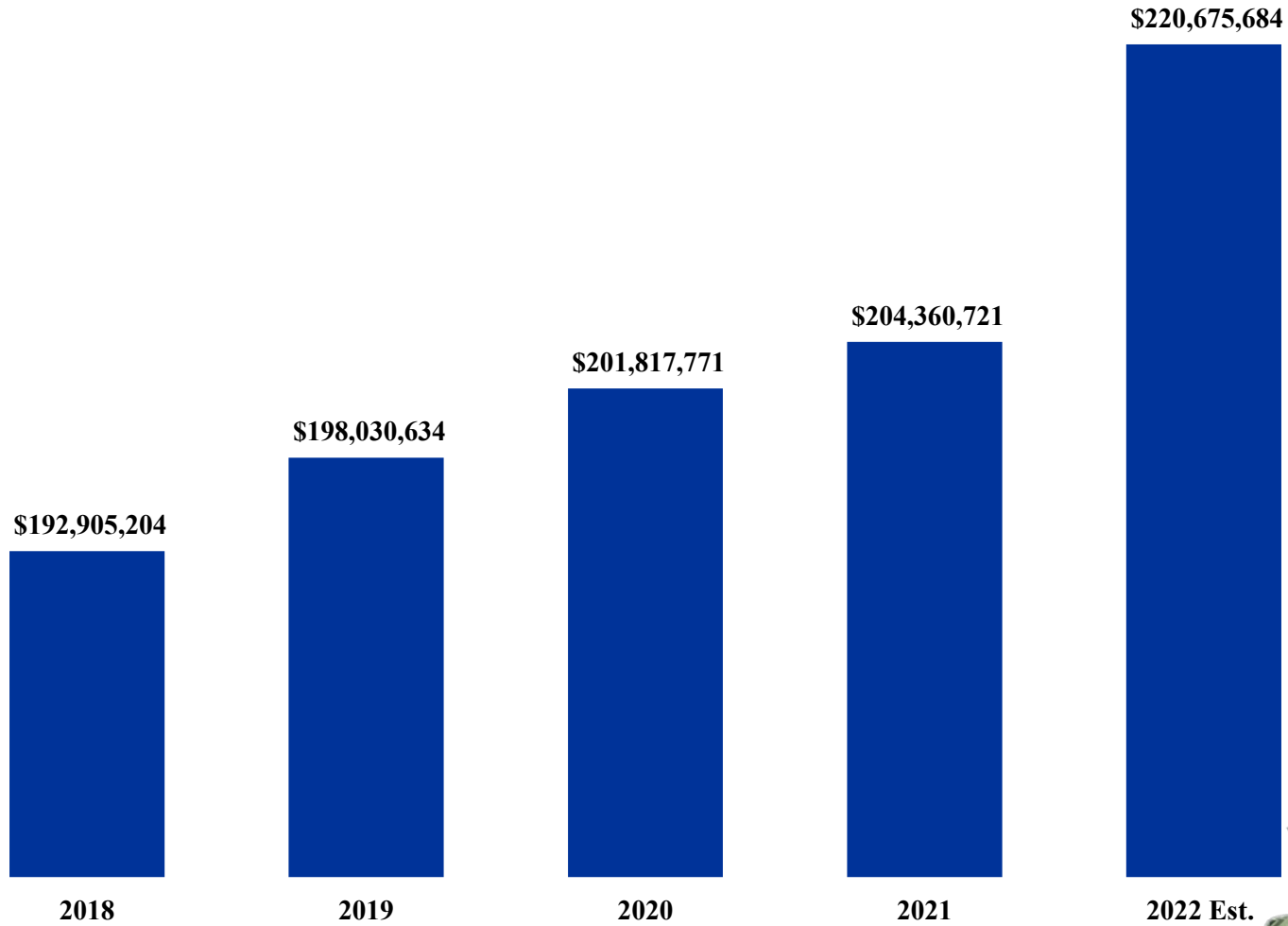




# Actual EAV

Limiting Rate:

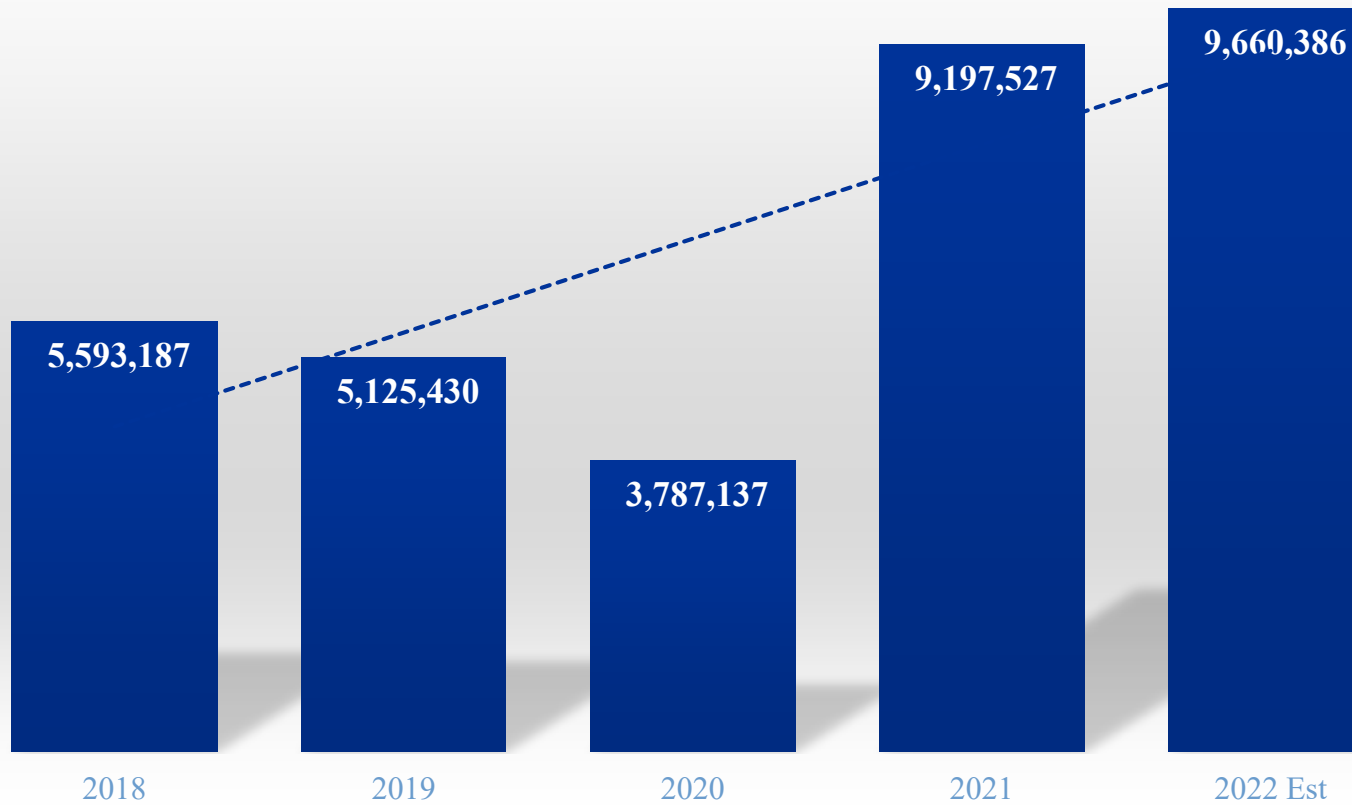
*(Prior Year Extension x (1+Lesser of 5% or CPI))*  
*(Total EAV - New Construction)*



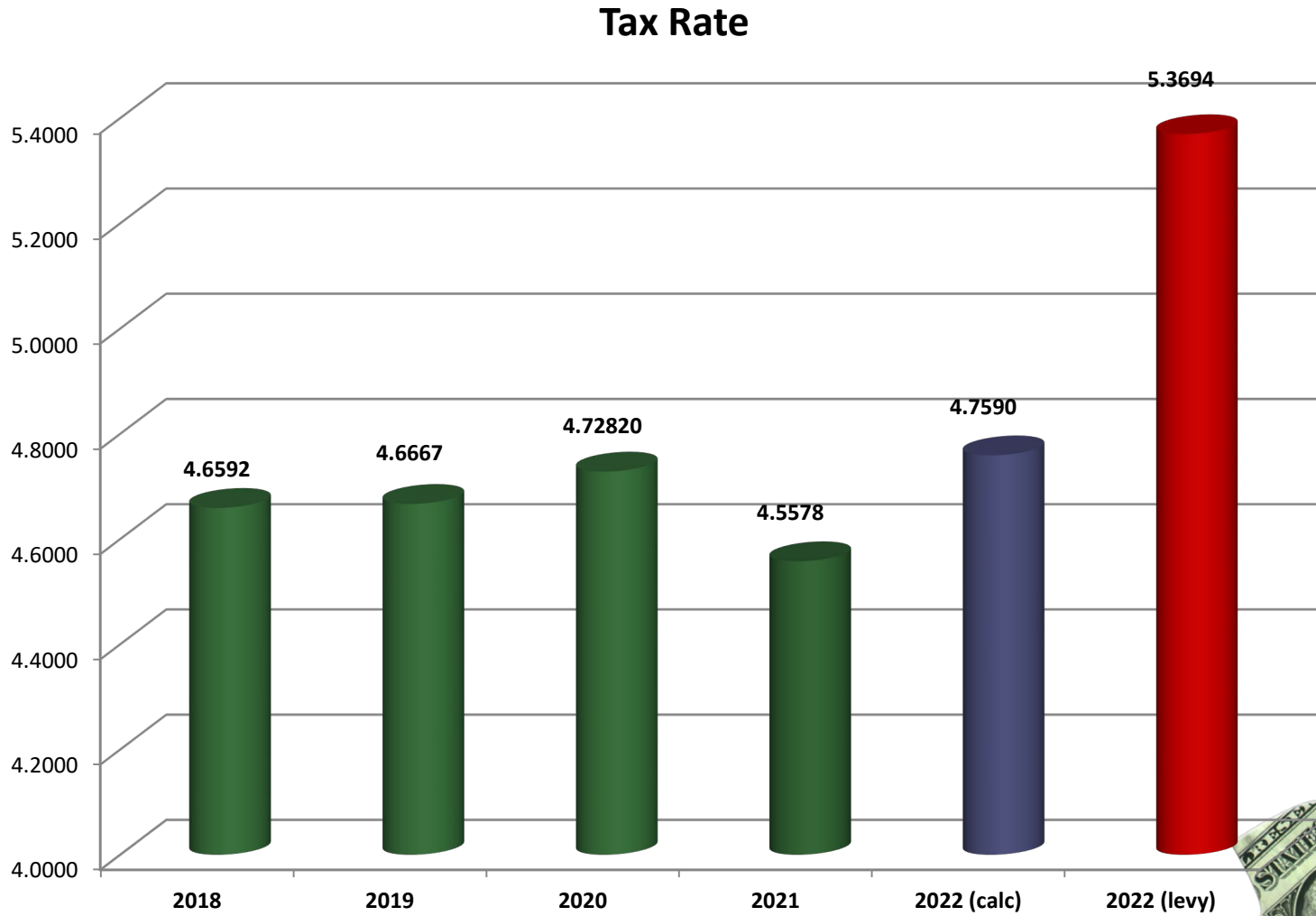
# Growth in EAV

*Limiting Rate:*

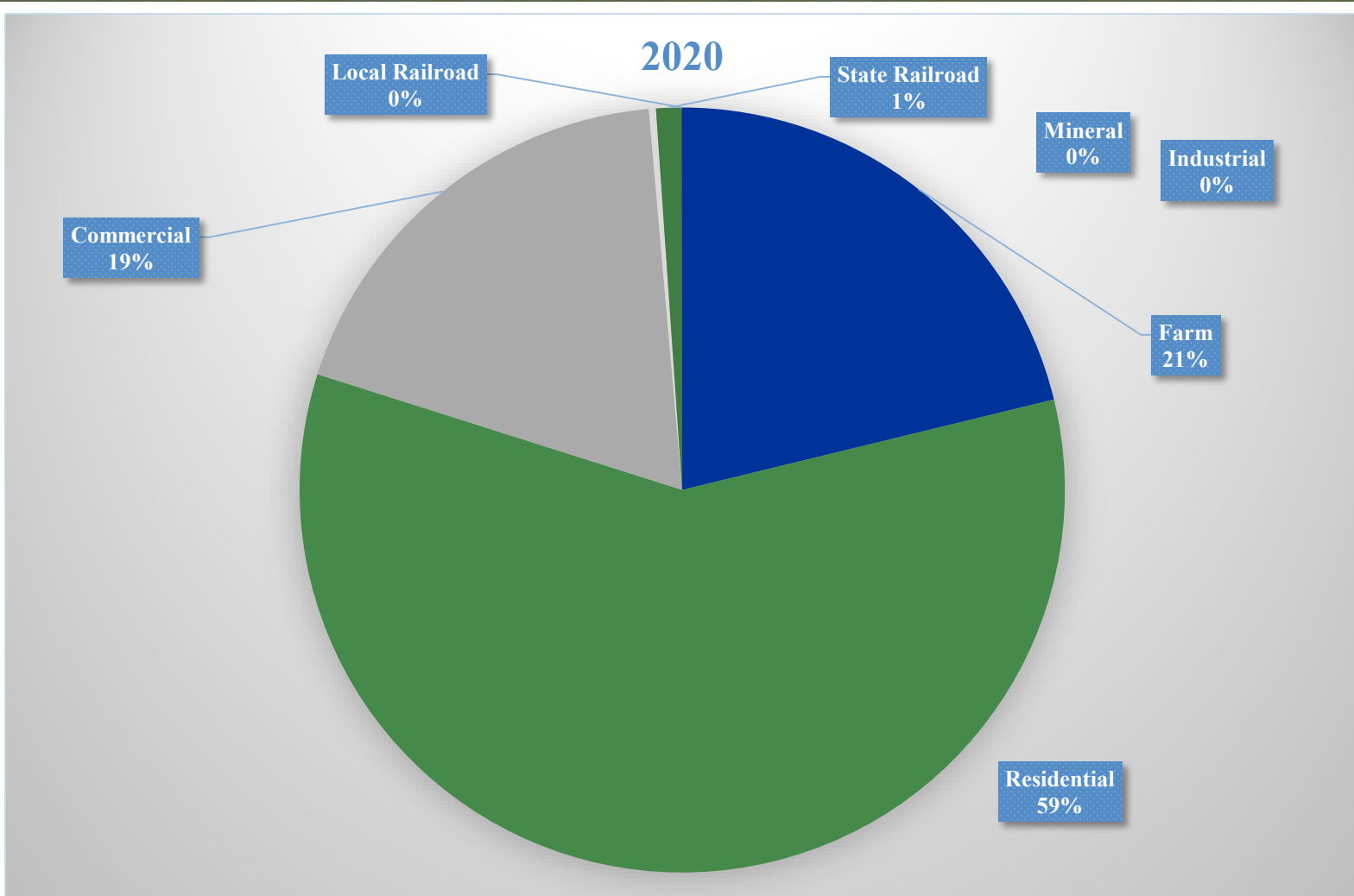
*(Prior Year Extension x (1+Lesser of 5% or CPI))*  
*(Total EAV - New Construction)*



# Tax Rate History



# Breakdown of EAV



# Fund Balance Breakdown

Education	\$	3,680,879
O & M	\$	2,439,555
Bond & Interest	\$	365,108
Transportation	\$	524,561
IMRF / SS	\$	328,041
Capital Projects	\$	2,045,189
Working Cash	\$	2,368,819
Tort	\$	112,128
FPS	\$	499,582

# 2022 Tax Levy

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

## 2022 Tax Levy

2022 Estimated EAV \$220,675,684  
 2021 Estimated New Property \$ 3,329,927  
 Limiting Rate: 3.92770

	2021 Rate	2021 Extension	2022 Calculated Rate	Calculated 2022 Tax Levy	2021 Proposed Rate	Proposed 2021 Tax Levy	Increase
Transportation	0.19191	\$ 404,563	0.19544	\$ 431,299	0.19576	\$ 432,000	\$ 27,437
Education	2.18016	\$ 4,596,076	2.22037	\$ 4,899,816	2.26577	\$ 5,000,000	\$ 403,924
Building	0.53555	\$ 1,129,010	0.54543	\$ 1,203,623	0.75042	\$ 1,656,000	\$ 526,990
IMRF	0.07682	\$ 161,950	0.07824	\$ 172,653	0.07840	\$ 173,000	\$ 11,050
Working Cash	0.03750	\$ 77,478	0.03743	\$ 82,598	0.05030	\$ 111,000	\$ 33,522
Tort Immunity	0.10715	\$ 225,885	0.10913	\$ 240,813	0.10921	\$ 241,000	\$ 15,115
Social Security	0.07682	\$ 161,950	0.07824	\$ 172,653	0.07840	\$ 173,000	\$ 11,050
Special Education	0.57039	\$ 1,202,471	0.58092	\$ 1,281,938	0.80027	\$ 1,766,000	\$ 563,529
Fire Prevention & Safety	0.00090	\$ 1,904	0.00092	\$ 2,030	0.10015	\$ 221,000	\$ 219,096
Lease	0.07130	\$ 150,309	0.07261	\$ 160,243	0.10015	\$ 221,000	\$ 70,691
Bond & Interest	0.72113	\$ 1,520,186	0.84060	\$ 1,855,000	0.84060	\$ 1,855,000	\$ 334,814
<b>Total Tax Extension</b>	<b>4.56963</b>	<b>\$ 9,631,781</b>	<b>4.75932</b>	<b>\$ 10,502,666</b>	<b>5.36942</b>	<b>\$ 11,849,000</b>	<b>\$ 2,217,219</b>

# Q & A

