



# Roselle School District 12

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2020 Tax Levy

# Sequence of Events

- November 17, 2020 -- Board reviews tentative levy
- December 15, 2020 -- Board approves final levy
- Prior to December 29, 2020 -- Levy will be filed with DuPage County Clerk
- March/April 2021 -- Clerk uses finalized EAV and new property numbers to provide extension amounts to school districts
- May/June 2021 -- District receives first round of property taxes from 2020 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.

# 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
2010	1.5%	2011	2012
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



# How is the **Limiting Rate** calculated?

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

Estimated Limiting Rate: 3.2112

Estimated Capped Extension: \$9,780,555

# 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"

# 2019 Property Tax Levy and Extension

Fund	2019 Levy	Extension	Rate
Education	\$8,051,525	\$7,856,142	2.6861
Oper./Maint.	\$1,275,000	\$1,221,079	0.4175
IMRF	\$79,295	\$77,213	0.0264
Transportation	\$343,200	\$334,297	0.1143
Social Security	\$60,994	\$59,372	0.0203
<b>Total Capped</b>	<b>\$9,810,014</b>	<b>\$9,548,104</b>	<b>3.2646</b>



# Proposed 2020 Tax Levy

Fund	2019 Extension	2020 Proposed Levy	Difference	% Change
Education	\$7,856,142	\$8,247,783	\$391,641	4.99%
Oper./Maint.	\$1,221,079	\$1,281,952	\$60,873	4.99%
IMRF	\$77,213	\$81,062	\$3,849	4.99%
Transportation	\$334,297	\$350,963	\$16,666	4.99%
Social Security	\$59,372	\$62,332	\$2,960	4.99%
<b>Total Capped</b>	<b>\$9,548,103</b>	<b>\$10,024,092</b>	<b>\$475,989</b>	<b>4.99%</b>

