Office of the New York State Comptroller

Thomas P. DiNapoli • State Comptroller

Property Tax Cap

Local Government Property Tax Cap Formula Presentation

Formula for determining a local government's tax levy limit under the cap (Chapter 97 of the Laws of 2011):

Base Formula

([(Prior fiscal year tax levy + Prior year reserve offset - Reserve amount (including interest earned)) x Tax base growth factor*] + PILOTs receivable in the prior fiscal year - Tort exclusion amount, prior fiscal year)

x Allowable levy growth factor (1.00 to 1.02)** - PILOTs receivable in coming fiscal year + Available carryover = **Tax Levy Limit**

+ Transfer of Function **+ Exclusions**

Tax Levy Limit + Net of Transfer of Government Function (as determined by OSC) + Tax levy necessary for expenditures from court orders/judgments resulting from tort actions for any amount in excess of 5% of the total taxes levied in the prior fiscal year + Levy necessary to pay for increases to the system average actuarial contribution rate (or normal contribution rate) of pension funds over 2 percentage points = **Tax Levy Limit, Adjusted for Transfers, Plus Exclusions**

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* Tax base growth factor: Based on Tax and Finance 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: 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.