

# TAX CAP FORMULA

## Base Formula

$$\left[ \left( \begin{array}{l} \text{Prior} \\ \text{fiscal} \\ \text{year tax} \\ \text{levy} \end{array} \times \begin{array}{l} \text{Tax} \\ \text{base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right) + \begin{array}{l} \text{PILOTs} \\ \text{receivable} \\ \text{in the prior} \\ \text{fiscal year} \end{array} \right] \times \begin{array}{l} \text{Allowable} \\ \text{levy growth} \\ \text{factor}^2 \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable} \\ \text{in coming} \\ \text{fiscal year} \end{array} = \text{Tax Levy Limit}$$

## + Transfer of Function

$$\text{Tax Levy Limit} + \begin{array}{l} \text{Net of Transfer of} \\ \text{Government} \\ \text{Function (as} \\ \text{determined by OSC)} \end{array} = \text{Tax Levy Limit, Adjusted for Transfer of Function}$$

## + Exclusions

$$\text{Tax Levy Limit, Adjusted for Transfer of Function} + \begin{array}{l} \text{Tax levy necessary for} \\ \text{expenditures from} \\ \text{court orders/judgments} \\ \text{arising from tort} \\ \text{actions for any amount} \\ \text{in excess of 5\% of the} \\ \text{total taxes levied in the} \\ \text{prior fiscal year} \end{array} \text{ AND } \begin{array}{l} \text{Levy necessary to pay} \\ \text{for increases to the} \\ \text{system average} \\ \text{actuarial contribution} \\ \text{rate (or normal} \\ \text{contribution rate) of} \\ \text{pension funds over 2} \\ \text{percentage points} \end{array} = \text{Tax Levy Limit, Adjusted for Transfers, Plus Exclusions}$$