

NEW YORK STATE PROPERTY TAX CAP BOARD & COMMUNITY OVERVIEW

Based on NYSED Property Tax Cap Regulations

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WHY THE PROPERTY TAX CAP EXISTS

- State law limits annual growth in school property taxes
- Protects taxpayers from sharp increases
- Encourages long-term financial planning
- Applies to most NYS school districts



Property
Taxes



Tax Cap Limit



Allowed
Growth

HOW THE TAX CAP WORKS

- Starts with last year's tax levy
- Adjusted by growth factor (lesser of CPI or 2%)
- Certain items are removed or added back
- Result is the maximum allowable levy

Tax Cap Flow Simplified



TAX LEVY LIMIT – SIMPLIFIED FORMULA

- 1) Prior Year Tax Levy
- 2) + Allowable Growth Factor
- 3) – Prior Year Capital & Adjustments
- 4) + Limited Exclusions (if applicable)
- 5) =
- 6) Maximum Tax Levy Allowed

WHAT CAN BE EXCLUDED FROM THE TAX CAP

- Capital debt service and Local Capital Expenditures – reduced by building aid
- Certain court judgments (torts) – (SCCSD: N/A)
- Pension costs above statutory thresholds:
 - * Applies only if ERS or TRS rates increase by more than 2 percentage points
 - * Only the portion above 2% is excluded
 - * Below the threshold, no adjustment is allowed
- PILOT-related adjustments

2026–27 PENSION RATES

- ERS:

2025–26: 16.5%

2026–27: 17.6% (+1.1%) → No exclusion

- TRS:

2025–26: 9.59%

2026–27 (est.): 8.24% (–1.35%) → No exclusion

EXCEEDING (PIERCING) THE TAX CAP

- A school district may propose a tax levy above the calculated tax cap
- This is commonly referred to as “piercing” or “overriding” the tax cap
- This decision is made by the Board as part of the proposed budget development process

VOTER APPROVAL REQUIREMENT

- If the proposed tax levy exceeds the tax cap:
- The school budget must be approved by at least 60% of voters
- This higher threshold is required by New York State law
- If approved, the levy is set at the voter-approved amount

IF THE BUDGET DOES NOT RECEIVE 60% APPROVAL

- The district may submit a revised budget for a second vote, or
- Adopt a contingency budget
- Under contingency, the tax levy cannot increase from the prior year
- No exclusions are permitted under a contingency budget

TAX CAP FILING REQUIREMENTS

- Each school district must calculate its Tax Levy Limit annually
- The calculation must be completed and filed by March 1st
- Filing is required even if the district does not plan to use the full cap
- Filed electronically through the Office of the State Comptroller (OSC)
- Shared with: NYSED & NYS Department of Taxation & Finance
- Used to validate budget and ballot disclosures

BASED ON TAX THE CAP FORMULA:

THE 1ST DRAFT OF THE SOUTH COUNTRY
CSD 2026-27 TAX CAP CALCULATION IS:



ADJUSTED TAX LEVY LIMIT : \$76,149,521 = 6.51%

WHAT DOES THIS MEAN IN SETTING THE 2026-27 TAX LEVY AT THE CAP?

That the 2026-27 Tax Levy can increase up to \$4,653,167 (6.51%) to a maximum of \$76,149,521 to be at the cap.

SOUTH COUNTRY CSD
Projected 2026-27 Property Tax Limit Worksheet

Draft 1

Tax levy Limit (Cap) Before Adjustments and Exclusions

Prior Year Tax Levy:		71,496,354	
Tax Base Growth Factor:	X	1.0115	← Actual data received from NYS Dept Tax & Finance
		72,318,562	
Plus: Prior Year PILOT Payments:	+	7,742,234	Pilot \$ Budgeted 2025-26
		80,060,796	
<u>Prior Year Exemptions:</u>			
Capital levy: 2025-26 Debt Service: w/o Library		6,783,950	
Projected/Actual Capital Expenses		0	
Less: 2025-26 Bld Aid:		1,499,235	
2025-26 BOCES Capital Expenditures (Net BOCES Aid)_		143,136	
add: SED Adjustment for Building Aid	-	5,427,851	From OSC Tax Levy Limit Worksheet
Adjusted prior Year Tax Levy:		74,632,945	
Allowable Levy Growth Factor:		1.020000	Factor (2.00%) Based on December 2025 CPI
		76,125,604	
Less: PILOT Payments for coming year:	-	7,691,506	Projected - 2026-27 Pilot Payments - from schedule
Tax Levy Limit:		68,434,098	

SOUTH COUNTRY CSD
Projected 2026-27 Property Tax Limit Worksheet

Tax Levy Limit:	68,434,098				
Exclusions:					
Tax levy necessary for expenditures arising out of tort orders/judgements over 5% tax levy:	0				
Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial or normal contributions rate in excess of 2 percentage points:					
Employers Retirement System:	0	+		← No exclusion for ERS	
Teachers Retirement System:	0	+		← No exclusion for ERS	
2026-27 Capital Tax levy:					
2026-27 Debt Service: w/o Library Debt	7,951,642			← Debt Service Schedule including new EPC Debt	
Less: 2026-27 Building Aid: (NY State Aid Run 1/19/26)	382,036			← 2026-27 Building Aid - State Aid run dated 1/19/21	
Add: Anticipated 2026-27 Capital Project Expenses:	0				
Add: 2026-27 BOCES Capital Expenditures (Net B-Aid)	145,817	+	7,715,423	From BOCES 1/18/26 Memo	
TOTAL ADJUSTED TAX LEVY LIMIT:	76,149,521			71,496,354	6.51%

Note:
The 2026-27 Debt Service includes new debt service of \$1,550,692 for the 1st year of the Energy Performance Project funding.



QUESTIONS