

Tax Cap Presentation

February 2026

Caledonia-Mumford Central School District

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Understanding the Tax Cap

In 2012 NYS put into law the Tax Cap formula as a means to limit growth of property taxes

There are several variables considered in the calculation of the tax cap that we will review. These variables include PILOT agreements, tax base growth factor, inflation rate (CPI), debt service exclusions, increases to NYS pension increases over 2%, and carryover.

- **Tax Base Growth Factor** - This is set by the NYS Department of Taxation & Finance and is meant to adjust the levy base for new taxable property. It is only to factor in growth in the tax roll.
 - CM 2026 Growth Factor | 0.32%
- **Inflation & Allowable Levy Growth Factor** - This is based on the Consumer Price Index (CPI) which is also provided by the NYS Department of Taxation & Finance. The purpose of this growth factor is to escalate the prior year tax levy to account for inflation. This escalates the prior year's tax levy by the lesser of 2% or NYS's allowable levy growth factor, which is 2.63% for 2026.
- **Exclusions** - Local share of expenses that have either been voter-approved in prior years (principal and interest for Bonds) or other expenses mentioned in the law to be excluded from percent increases. CMSD receives ~84% in building aid on Capital Projects and ~74% in transportation aid for busses.
- **Tax Levy Limit** - The total amount of money that the school district can raise that requires a simple majority vote (50% + 1).
- **PILOT** - "Payment In Lieu Of Taxes" - Predetermined tax payment based on an agreed schedule of payments between the district and taxpayer - Is not included in the Tax Levy, but is part of the Local Taxes.

Understanding the Tax Cap (cont.)

- **Debt Exclusions** - This compares debt to aid generated. CMSD receives ~84% in building aid on Capital Projects and ~74% in transportation aid for busses.
- **Pension Increases** - If TRS or ERS increase by more than 2% an exclusion is permitted to increase taxes to offset the increase. This will not impact our calculation for 2026-2027 as we will see a slight decrease in TRS and a slight increase in ERS but the net increase will not exceed 5% of the total prior year's tax levy.
- **Carryover** - In order for district's to be eligible to have carryover, the district must have an actual tax levy less than the Tax Levy Limit before exclusions. If this occurs then the carryover amount would be calculated as the lessor of the following:
 - 1.5% of the 2025-2026 Tax Levy Limit before exclusions ($\$7,922,835 \times 0.015 = \$118,842$)
 - The difference between the 2025-2026 Tax Levy Limit before exclusions and the actual amount Levied in 2025-2026 ($\$7,922,835 - \$7,923,478 = -\$643$). This number can't be negative so we would use \$0.
 - Because the lessor of the two options above is 0, we are not eligible for carryover.

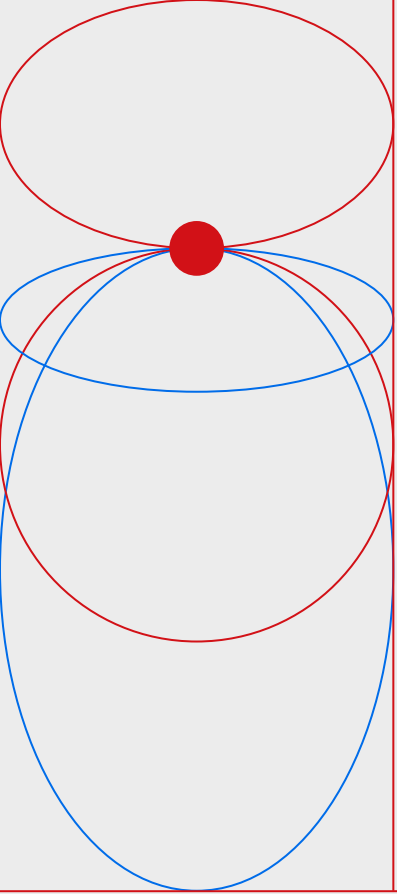
Tax Cap and The Budget Vote

- **Proposing a Tax Levy that is at or below the cap** - A simple majority vote (50% + 1 vote) is required to pass the budget.
- **Proposing a Tax Levy that exceeds the cap** - District's are not limited to the tax cap, however they cannot bring a levy to a vote that has an increase that exceeds the cap with a simple majority vote. If a district wishes to increase their tax levy beyond the tax cap a super majority vote would be required to pass the budget. A super majority vote requires a 60% yes vote.

Tax Cap Calculation

**Cal-Mum
Tax Levy Limit
1.97%**

TAX LEVY LIMIT CALCULATION 2026-2027		
Prior Year Tax Levy		\$7,923,478.00
Tax Base Growth Factor	X	1.0032
Adjusted Tax Levy (PY Tax Levy X Growth Factor)		\$7,948,833.00
2025-2026 PILOT Payments	+	\$117,378.00
2025-2026 Exclusions	-	\$182,949.00
Adjusted Prior Year Tax Levy		\$7,883,262.00
Inflation/CPI Growth Factor (2% or 2.63%)	X	1.02
Adjusted Prior Year Tax Levy with Inflation		\$8,040,927.00
2026-2027 PILOT Payments	-	\$144,867.00
2026-2027 Tax Levy Limit		\$7,896,060.00
2026-2027 Exclusions	+	\$183,386.00
2026-2027 Maximum Allowable Tax Cap		\$8,079,446.00
Tax Cap Percentage (%)		1.9684%
Tax Cap Increase Maximum (\$)		\$155,968.00



Questions