



# TAX LEVY

# KEY TERMS

**Consumer Price Index (CPI)** - Rate of inflation (CPI-All Urban as of December 31<sup>st</sup> of the prior levy year)

**Property Tax Extension Limitation Law (PTELL)** - Limits the amount of property tax revenue requested by a district to 5% or CPI, whichever is less

**Equalized Assessed Value (EAV)** – The product of the assessed value of your property (both land and improvements) and the State Equalization Factor, which is set by the Illinois Department of Revenue

**Tax Levy** – The number of dollars requested

**Tax Extension** - The amount of tax revenue billed

**Tax Collection** - The number of dollars collected

## TAX LEVY CALCULATION

1. Use prior year aggregate (capped) tax extension
2. Increase prior year aggregate tax extension by CPI
3. Determine non-capped extension (limited bond fund)
4. Add lines 3 and 4
5. If property tax relief grant monies are available via Evidence Based Funding and the Board approves to abate received grant monies back to the taxpayers, then subtract this total from line 4

# SAMPLE TAX LEVY AND TAX RATE CALCULATIONS

## Sample tax levy calculation

$$\begin{aligned} 2020 \text{ Levy} &= 2019 \text{ extension (before the abatement)} * \text{CPI} \\ &= \$39,890,252 * 2.3\% \text{ (December 31, 2019 CPI-All Urban)} \\ &= \$40,807,728 \end{aligned}$$

## Sample tax rate calculation

$$\begin{aligned} \text{Estimated Current Year EAV} &= \text{Prior Year EAV} + \text{Est. New Property} \\ &= \$688,079,125 + 1,500,000 \\ &= \$689,579,125 \approx \$690,000,000 \end{aligned}$$

$$\begin{aligned} \text{Limiting Rate} &= 2020 \text{ Levy} / (\text{Est. Current Year EAV} - \text{Est. New Property}) \\ &= \$40,807,728 / (\$690,000,000 - \$1,500,000) \\ &= 5.927 \end{aligned}$$



Property tax revenue must be deposited into appropriate accounting funds:

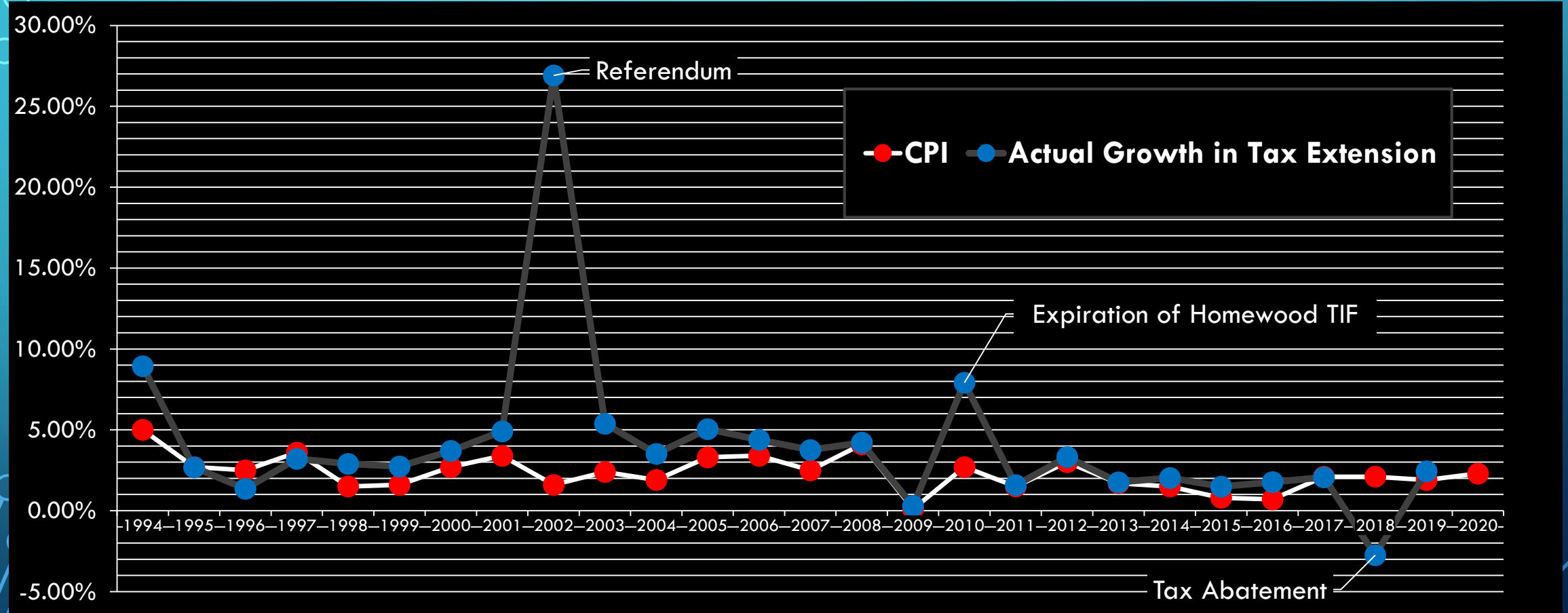
- Education Transportation
  - Operation and Maintenance Life Safety
  - Debt Services Working Cash
  - Capital Projects Tort Immunity
  - Municipal Retirement and Social Security
  - Transportation
  - Life Safety
  - Working Cash
  - Tort Immunity
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TAX Levy History										
Levy Year	Collection Year	EAV	Tax Rate	Extension	New Property	Change EAV	Change Extension	CPI	Difference	Explanation
2009	2010	\$914,825,438	3.686	\$33,715,657	\$1,562,599	3.03%	0.29%	0.10%	0.19%	
2010	2011	\$977,418,620	3.723	\$36,384,835	\$51,970,013	6.84%	7.92%	2.70%	5.22%	TIF Expiration
2011	2012	\$790,449,204	4.676	\$36,961,223	\$1,794,550	-19.13%	1.58%	1.50%	0.08%	
2012	2013	\$713,663,976	5.351	\$38,186,518	\$1,155,422	-9.71%	3.32%	3.00%	0.32%	
2013	2014	\$666,523,209	5.83	\$38,858,524	\$321,629	-6.61%	1.76%	1.70%	0.06%	
2014	2015	\$633,880,735	6.255	\$39,645,706	\$4,527,081	-4.90%	2.03%	1.50%	0.53%	
2015	2016	\$616,010,705	6.532	\$40,236,023	\$5,043,124	-2.82%	1.49%	0.80%	0.69%	
2016	2017	\$655,663,808	6.245	\$40,946,202	\$7,871,046	6.44%	1.77%	0.70%	1.07%	
2017	2018	\$732,740,405	5.704	\$41,795,513	\$1,190,959	11.76%	2.07%	2.10%	-0.03%	
2018	2019	\$707,363,834	5.746	\$40,645,126	\$1,269,176	-3.46%	-2.75%	2.10%	-4.85%	
2019	2020	\$688,079,125	6.051	\$41,635,668	\$1,037,332	-2.73%	2.89%	1.90%	0.99%	



# HISTORICAL TAX CAP LIMITS AND TAX GROWTH HISTORY

REAL ESTATE TAX GROWTH IN SCHOOL DISTRICTS IN TAX-CAPPED COUNTIES LIMITED BY RATE OF INFLATION



APPROXIMATELY 52% OF DISTRICT'S REVENUES TIED TO INFLATION. EACH 1% OF CPI TRANSLATES INTO APPROXIMATELY \$370,000 IN ANNUAL REVENUES TO THE DISTRICT. **CPI WILL BE 2.3% FOR FY20 LEVY AND IS TRENDING 1.2% FOR FY21 LEVY.**

# HISTORICAL NOTES RELATED TO THE TAX LEVY

- Levy Year 1991 - Extension rate change of +13.40% due to a successful referendum
- Levy Year 2002 - Extension rate change of +26.91% due to a successful referendum (25.31% above CPI)
- The average extension rate of change for levy years 2003 to 2008 was +4.37% (1.45% above CPI)
- Since the 2010 TIF expiration, taxes have increased at an average annual rate of 1.57%



# TAX COLLECTION HISTORY

LEVY YEAR	COLLECTION YEAR	EXTENSION	NET COLLECTED	% NET COLLECTED
2008	2009	\$33,619,000	\$33,070,000	98.37%
2009	2010	\$33,720,000	\$32,702,000	96.98%
2010	2011	\$36,389,000	\$35,210,000	96.76%
2011	2012	\$36,961,000	\$35,648,000	96.45%
2012	2013	\$38,188,000	\$36,810,000	96.39%
2013	2014	\$38,858,000	\$37,216,000	95.77%
2014	2015	\$39,646,000	\$38,169,000	96.27%
2015	2016	\$40,238,000	\$39,063,000	97.08%
2016	2017	\$40,946,000	\$38,958,000	95.14%
2017	2018	\$41,795,000	\$38,098,000	91.50%
2018	2019	\$40,645,000	\$37,566,000	92.42%
2019	2020	\$41,637,335	\$37,648,478	90.42%

# HISTORY OF SCHEDULED TAX LEVY % BY FUND

% of Total Levy	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<b>Education</b>	54%	53%	76%	73%	77%
<b>Building</b>	8%	8%	9%	10%	9%
<b>IMRF</b>	2%	1%	1%	2%	1%
<b>Social Sec.</b>	2%	1%	1%	3%	2%
<b>Tort</b>	1%	1%	0%	1%	1%
<b>Transportation</b>	18%	18%	4%	3%	4%
<b>Working Cash</b>	1%	1%	1%	0.01%	1%
<b>Special Ed.</b>	6%	6%	0%	0%	0%
<b>Life Safety</b>	0.3%	2%	0%	0%	0%
<b>Bonds</b>	9%	9%	9%	9%	5%

## ISSUES THAT MAY IMPACT THE FINANCIAL FUTURE OF DISTRICT

- Future Inflation levels
- Composition of Staff –Number of Retirements
- Legislative Changes
  - Reduction in Evidenced-Based Funding dollars distributed through formula
  - Modifications to the EBF formula
  - Redistribution of statewide resources to address equity
  - Shifting pension costs to school districts
  - School consolidations

## WITHOUT INCREASED PROPERTY TAX REVENUE

- The Board of Education must consider
  - Budget cuts
  - Deferred facility maintenance and renovations
  - Reduction of fund balance reserves
  - Need for additional new debt