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# Pittsford Schools

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# Property Tax Rate Calculation

Board of Education Regular Meeting

September 15, 2020

# Tax Rate Composition

- The **Tax Rate** and collection process possesses numerous variables of information supplied by various sources at various times:
  - The **Tax Levy** is the total amount of taxes the District may collect
    - The Tax Levy is estimated as part of the budget process in the spring and the Board of Education establishes the Tax Levy by resolution in August
    - The Tax Levy is the only number under District control in the complex Tax Rate process
- To calculate the Tax Rate, we must obtain from each Town Assessor and New York State:
  - Taxable Value – total of all properties in a town (Taxable Value on your tax bill)
  - Equalization Rate (Eq Rate) – provided by NYS when the town’s taxable value is determined to be too far below market value. An Eq Rate of 1.0 means the town is at Full Value, less than 1.0 means the town has not recently done a re-assessment and is below market (Full) value. The lower the Eq Rate the farther from Full Value.
    - You will see an example of how fluctuations in the Eq Rate can result in a shift of more or less total tax burden on a particular town and higher or lower Tax Rate/Tax Bill, even though the exact amount of Taxes (Tax Levy) is collected.
  - *We do not receive pieces of information until July. This year NYS and the County were changing the data in late August, well after the Tax Warrants had been finalized and sent to print.*

# Tax Rate Composition

- Full Value Assessment for Apportionment – is simply the Taxable Assessed Value divided by the Equalization Rate
  - Is used to determine a specific town’s “slice of the pie” (apportionment) of the Total Tax Levy. The town’s calculated Full Value divided by the sum of the Full Value’s of all the towns in the District = a percent of apportionment or share of the total Tax Levy. Multiply this percentage by the Total Tax Levy, the result is the total taxes to be raised by that town.
- Tax Rate per \$1000 Assessed (Tax Bill) – is the total taxes apportioned to the town divided by the town’s Taxable Assessed Value (divided by 1000)

# The Impact of the NYS Equalization Rate

## When the Taxable Assessment is Too Far From Market Value

Example with no change to Tax Levy. Demonstrates the impact of Equalization Rate on the distribution of the tax load

### Year One – All at Full Value

Total Tax Levy to be Collected	200,000			
	Town A	Town B	Town C	Total
Taxable Assessed	1,000,000	700,000	300,000	2,000,000
Equalization Rate	1.00	1.00	1.00	
Full Value for Apportionment	1,000,000	700,000	300,000	2,000,000
Percent of Levy based on Full Value	50.0%	35.0%	15.0%	100.0%
Tax Levy to Be Raised by Town	100,000	70,000	30,000	200,000
Tax Rate per \$1000 Taxable Assessed Value	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Tax Bill	100,000	70,000	30,000	200,000

### Year Two – Not at Full Value Eq Rate Changes

Total Tax Levy to be Collected	200,000			
	Town A	Town B	Town C	Total
Taxable Assessed	1,000,000	700,000	300,000	2,000,000
Equalization Rate	0.90	0.80	1.00	
Full Value for Apportionment	1,111,111	875,000	300,000	2,286,111
Percent of Levy based on Full Value	48.6%	38.3%	13.1%	100.0%
Tax Levy to Be Raised by Town	97,205	76,549	26,245	200,000
Tax Rate per \$1000 Taxable Assessed Value	\$ 97.21	\$ 109.36	\$ 87.48	\$ 100.00
Tax Bill	97,205	76,549	26,245	200,000
% Change	-3%	9%	-13%	0%

# What happened this year?

- The affects of COVID and resultant decisions affected PCSD community much as it did throughout the State.
  - When COVID hit and agencies were closing, NYS informed Assessors they were not required to “re-assess” the town’s properties. Some were in various stages of completion/submittal.
  - NYS thereby amended the Equalization Rates to reflect lower than Full (market) Values
- For PCSD, four of our six towns were no longer at full value and received reduced Equalization Rates, one town a significant change. The result:
  - The amount of Tax Levy Apportioned to each town fluctuated more drastically than previous years
  - Some towns had significant increase in apportionment and two had a decrease
  - Perinton had the biggest change that resulted in assuming more Tax Levy load and had a lower Taxable Assessed Value to divide the increase. The result was a 2% increase in the Tax Rate before the affects of the 2020-21 School Tax Levy increase of 3.76%

# The Bottom-Line

- The Board of Education did **not** Levy a Tax that was more than:
  - Presented to the voters, or;
  - Greater than the NYS Property Tax Cap formula permits
- The Tax Levy is the **ONLY** number under District control in the Tax Rate process
- The strange result of some town's Tax Rates increasing or decreasing is a direct result of:
  - Changes to NYS and County data that affected the distribution of the Tax Levy to each town

NYS Department of Taxation and Finance Office of Real Property Taxes resource:  
[https://www.tax.ny.gov/pdf/publications/orpts/under\\_eqrates.pdf](https://www.tax.ny.gov/pdf/publications/orpts/under_eqrates.pdf)