

State Aid

& FINANCIAL PLANNING SERVICE



Property Tax Cap Guidebook 2025-26

February 2025



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Introduction

On June 24, 2011, New York State's Property Tax Cap was enacted under Chapter 97 of the Laws of 2011. The program bill originated with Governor Cuomo and was amended and passed as part of an omnibus bill. The law places restrictions on how school districts and municipalities can increase their tax levies and requires a voter approval of at least 60 percent for a budget if the proposed levy increase exceeds a certain amount. School districts were required to abide by the enacted law beginning with the 2012-13 school year. The Property Tax Cap legislation had historically been tied to the rent control law which included an expiration date required an extension regularly for continued implementation. The 2019-20 Enacted Budget eliminated this expiration clause thereby making the Property Tax Cap a permanent requirement for school districts in New York State.

The tax cap limits the total levy set by local governments and school districts, not assessed values or tax rates. Voters continue to approve school budgets, not the tax levy.

This publication is intended to provide general guidance to school districts in calculating their tax levies pursuant to the Property Tax Cap. It is not intended to offer legal advice relating to specific situations; readers are encouraged to seek legal counsel regarding these.

Definitions

Prior Year Tax Levy: Taxes levied in the prior year (2024-25) including exclusions.

Reserve for Excess Levy: If, due to clerical or technical errors, the prior year actual levy exceeded the Maximum Allowable Tax Levy, without override in place, the excess must be placed in a reserve. This excess amount plus any interest must be used to offset the levy in the next fiscal year.

Tax Base Growth Factor: $1 + \text{Quantity Change Factor}$; only calculated if quantity change factor is a positive number. Annual Tax Base Growth Factors must be made available by February 15th on The Department of Taxation and Finance [website](https://www.tax.ny.gov/research/property/cap.htm). Tax base growth factors have been published for 2025 at: <https://www.tax.ny.gov/research/property/cap.htm>.

Quantity Change Factor: The percentage by which the full value of the taxable real property in the school district increases due to physical or quantity change, compared with the prior year tax roll (growth in full value due to construction, additions, and improvements to real property, etc.).

Prior Year PILOT (Payments In Lieu Of Taxes): PILOTs owed to the district in the prior school year (2024-25). The amount used in the 2024-25 tax levy limit calculation will be carried forward and used as the 2024-25 PILOTS for the 2025-26 tax levy limit calculation.

Prior Year Exclusions (not TRS/ERS): Any amount from the prior year calculation will be prepopulated and recorded for these exclusions:

- (1) 2023-24 Tort Exclusion - Budgeted expenditures resulting from court orders or judgments arising out of tort actions for any amount that exceeds 5% of total tax levied in prior school year (excludes tax certioraris).
- (2) 2024-25 Capital Tax Levy - Levy necessary to support capital local expenditures in the prior school year.

Should a district decide to adjust the prior year exclusion, they will need to contact the State Comptroller's Office.

Capital Local Expenditures: Expenditures resulting from the construction, acquisition, reconstruction, rehabilitation or improvement of school district capital facilities or capital equipment, including debt service & lease expenditures, and transportation capital debt service.

Definitions (*continued*)

In determining the capital local levy, state aid should be deducted from expenditures as only the net amount is considered in the exemption. This is on a year-by-year basis and not project by project basis. In the event the net amount results in a negative, there is no exclusion (use \$0). See ["State Aid Data for Determining Capital Levy Exclusion for Property Tax Levy Cap Calculation"](#) and the list of ST-3 codes on pp. 13-14 of this document for additional guidance.

- **Included:** Bus cash purchases and leases, capital outlay, energy performance contracts, expenditures in the capital fund paid for with cash (H522), principal and interest on bonds and BANs that are related to capital acquisitions. On December 27th of 2019, the Commissioner of Taxation and Finance amended the Real Property Tax Administration Regulations under Title 20 of New York Codes, Rules, and Regulations (NYCRR) to add part 8300. This amendment was added to allow a school district's share of Rent and Capital Expenditures made by their BOCES to be included as part of the excludable expenditures under the Capital Local Levy Component of the Tax Cap calculation. See Appendix E below for additional information on the BOCES Capital Exclusion calculation. Additionally, the full list of ST-3 account codes for the excludable BOCES Capital Expenditures can be found on page 14 of this guidebook.
- **Excluded:** Spending from reserves, debt service paid for with funds held in the Debt Service Fund, Fund Balance.

Adjusted Prior Year Tax Levy: Prior year (2024-25) levy adjusted for the tax base growth factor plus prior year PILOT(s) minus prior year exemptions. This is the result of the first half of the calculation (not a formal factor).

Allowable Growth Factor: Lesser of 1.02 OR (1 + Inflation Factor), with a Minimum of 1.0.

Inflation Factor: CPI change carried out to four decimal places. Available mid-to-late January for the previous calendar year. <http://www.bls.gov/cpi/home.htm>.

PILOTS (Payments In Lieu Of Taxes) for Coming Year: PILOTs to be collected in the coming school year (2025-26). Districts should make "best faith estimates" when projecting coming year PILOTs based on schedules/agreements and maintain supporting documentation in the case of an audit.

Available Carryover: Prior year (2024-25) Tax Levy Limit minus the prior year (2024-25 tax levy), but no greater than 1.5% of the prior year (2024-25) tax levy limit. If a negative number, no carryover is available (use \$0). School districts must levy a tax lower than the calculated Tax Levy Limit before the addition of allowable exclusions to have carryover in the subsequent school year.

Definitions (*continued*)

Tax Levy Limit: Amount to be calculated and submitted to Comptroller's Office prior to March 1st of each year.

Coming Year Exclusions:

- (1) 2025-26 Tort Exclusion – Budgeted expenditures resulting from court orders or judgments arising out of tort actions for any amount that exceeds 5% of total tax levied in prior school year (excludes tax certioraris).
- (2) 2025-26 Capital Tax Levy – The levy necessary to support capital local expenditures.
- (3) 2025-26 ERS Exclusion – Tax levy necessary for expenditures for coming school year for employer contributions caused by growth in the system average actuarial contribution rate, minus two percentage points.
- (4) *2025-26 TRS Exclusion – Tax levy necessary for expenditures for coming school year for employer contributions caused by growth in the normal contribution rate, minus two percentage points.

* There will be no pension exclusion for ERS or TRS, for the 2025-26 tax cap calculation

Maximum Allowable Tax Levy: The Tax Levy Limit with the addition of the coming school year exclusions.

Simple Majority: Voter approval of 50% + 1

Super Majority: Voter approval of 60% or more

Calculation of the Tax Levy Limit

1. Prior year tax levy (minus Reserve Amount for any Excess Levy, including interest)

x

2. Tax base growth factor (if any)

+

3. PILOTs receivable during prior year

–

4. Taxes levied for exclusions during prior year (not ERS & TRS)

=

5. *Adjusted Prior Year Tax Levy*

x

6. Allowable levy growth factor (lesser of 2% or CPI)

–

7. PILOTs receivable in the coming year

+

8. Available carryover, if any

=

9. Tax Levy Limit

Total Levy to Support Proposed Budget

Tax Levy Limit

+

Coming school year exclusions

=

**Maximum Allowable Tax Levy
(Requiring simple majority)**

Tax Levy Limit Calculation Example (2 Years)

Year 1 (2024-25):

Prior year tax levy	5,000,000	
Tax base growth factor (district specific)	<u>x 1.01</u>	
	5,050,000	
Prior year PILOT	<u>+100,000</u>	
	5,150,000	
Prior year exclusions (capital levy, court orders, not TRS/ERS)	<u>- 200,000</u>	
Adjusted Prior Year Levy	4,950,000	
Allowable Growth Factor (lesser of CPI or 2%)	<u>x 1.02</u>	
	5,049,000	
PILOTs for coming year	<u>- 100,000</u>	
	= 4,949,000	
Available Carryover	<u>+ 0</u>	
TAX LEVY LIMIT (before exclusions)	= 4,949,000	
Coming School Year Exclusions	<u>+ 225,000</u>	
Maximum Allowable Levy	5,174,000	+3.5%

The district proposed a tax levy of \$5,050,000 and it passed with a simple majority.

Year 2 (2025-26):

Prior year tax levy	5,050,000	
Tax base growth factor (district specific)	<u>x 1.01</u>	
	5,100,500	
Prior year PILOT	<u>+100,000</u>	
	5,200,500	
Prior year exclusions (capital levy, court orders, not TRS/ERS)	<u>- 225,000</u>	
Adjusted Prior Year Levy	4,975,500	
Allowable Growth Factor (lesser of CPI or 2%)	<u>x 1.02</u>	
	5,075,010	
PILOTs for coming year	<u>- 150,000</u>	
	= 4,925,010	
Available Carryover	<u>+ 0</u>	
TAX LEVY LIMIT (before exclusions)	= 4,925,010	
Coming School Year Exclusions	<u>+ 500,000</u>	
Maximum Allowable Levy	5,425,010	+7.4%

Available Carryover

To have carryover, a district must have an actual tax levy less than the Tax Levy Limit (before exclusions). The Available Carryover Amount is the lesser of:

- A) 1.5% of the 2024-25 Tax Levy Limit (before exclusions), or
- B) The difference between the 2024-25 Tax Levy Limit (before exclusions) and the actual amount levied in 2024-25

The OSC online reporting system calculates available carryover for each district. Districts with carryover will have the option to apply a portion of it in their calculation or choose not to use it. Any unused carryover will not be available for future use. School districts must levy a tax lower than the calculated Tax Levy Limit before the addition of allowable exclusions to have carryover in the subsequent school year.

Example:

Assume using the calculation from the previous example (page 7) that a district decided to levy an increase of 3.25% as opposed to the allowed 3.5% increase. What is the calculated available carryover?

2024-25 Levy: $\$5,000,000 \times 1.0325 = \$5,162,500$

Carryover Calculation:

1. Calculated Tax Levy Limit (before exclusions)	\$4,949,000
2. 1.5% 2024-25 Total Levy Limit	\$74,235
3. 2024-25 Actual Amount Levied (Assumed)	\$5,162,500
4. Difference (Line 1 – Line 3)	\$(213,500)
2025-26 Available Carryover is the lesser of line 2 or line 4 (min. 0)	\$0 No Available Carryover

Note: For a school district to have carryover, Line 1 minus Line 3 above must be a positive number.

Assume using the calculation from the previous example (page 7) that a district decided to levy a decrease of 3.0% as opposed to the allowed 3.5% increase. What is the calculated available carryover?

2024-25 Levy: $\$5,000,000 \times 0.9700 = \$4,850,000$

Available Carryover (*continued*)

Carryover Calculation:

1. Calculated Tax Levy Limit (before exclusions)	\$4,949,000
2. 1.5% of 2024-25 Total Levy Limit	\$74,235
3. 2024-25 Actual Amount Levied (Assumed)	\$4,850,000
4. Difference (Line 1 – Line 3)	\$99,000
2025-26 Available Carryover is the lesser of line 2 or line 4 (min. 0)	\$74,235 Available Carryover

Capital Exclusion

Building Aid Interest Rate Recalibration

Education Law 3602 6 (e) (5) (c) as amended by Chapter 57 of the Laws of 2014 requires the commissioner to revise the assumed amortization schedule for remaining debt service payments for outstanding principal and interest at the end of each 10-year segment of an assumed amortization for Building Aid if the current interest rate is at least one quarter percent (.25) lower than the original interest rate for the assumed amortization.

Building Aid projections under the 2025-26 Executive Budget Proposal may or may not reflect any reductions in a district's Building Aid due to the recalibration of interest rates. Building Aid for the 2025-26 (coming year) should be adjusted by the amount impacted according to the recalculation as this will affect the capital exclusion component unless the district has received the preliminary waiver approval. To determine the amounts to be deducted, districts must review SAMS Form FB and open the Interest Rate Reduction Application (IRRWA) form to find out if there are any projects listed which are subject to this reduction for the 2025-26 school year.

NOTE: Expenses incurred, or projected to be incurred in the capital fund (H522) and supported by a transfer from the General Fund are included in the capital local expenditure calculation for the Property Tax Cap. Expenses in the capital fund that are supported by funds from a capital reserve, the debt service fund, designated fund balance or any other sources of revenues other than general fund tax levy need to be reduced by the amount of such transfers or sources of revenue.

Chapter 97 Projects

In November of 2019, SED revised their method used to calculate Building Aid projections for the upcoming year. The memo outlining this change can be found below and via the following link: [NYSED: State Aid: Change in Building Aid Estimates for Chapter 97 Projects](#)

Change in Building Aid Estimates for Chapter 97 Projects

In November 2019, the State Aid Office revised the methodology for calculating Building Aid in the projected year. As you review your 2020-21 Executive Budget school aid runs, please be aware of this change. Previously, all capital projects eligible for Building Aid would generate an aid amount in the projected year (in this case, 2020-21) as long as there was a notification of contract signing via SA-139 form on file, and the date was beyond the later of the contract signing notification date (SA-139 receipt date) or the commissioner's approval plus 18 months.

Building Aid is now estimated in the projected year if, in addition to those two conditions, there is a final Certificate of Substantial Completion (CSC) and Final Cost Report (FCR) on file or the project has received Early Aid Start (EAS) approval from SED Office of Facilities Planning. As you review your state aid runs and compile your 2020-21 school year budgets, be sure to note the status of your projects. Aid that was not projected for the 2020-21 aid year on the Executive Budget run may still materialize if the CSC and FCR are finalized and submitted by June 30, 2021.

If the CSC/FCR/EAS were not on file prior to the November 15th database update, but are on file now, you should expect to see those aid amounts included in the February 15th database.

Capital Exclusion (*continued*)

IMPORTANT INFORMATION ABOUT BUILDING AID

- [2024-25 Aidable Debt Service for projects with debt still outstanding as of 7-1-2002](#)
The above Retro Bond Information link temporarily will redirect users to the 2018-19 BOND LEVEL INFORMATION until the 2024-25 BOND LEVEL INFORMATION page is available.
- [State Aid Building Project Status Report \(SA777\)](#)
- [District Level Prospective Projects Information](#)
- [District Level Assumed Amortization Capital Outlay Details](#)
- [District Level EXCEL Cover Sheet](#)

On the District Level Prospective Report, Chapter 97 projects will look like this:

```
*****
PROJECT NUMBER: 0001-037      PROJECT NAME:          SENIOR HIGH SCHOOL
VOTER AUTHORIZATION DATE: 09/26/2018  BLD4      ** CHAPTER 97 **

COMMISSIONER APP DATE: 02/11/2020
DATE CONTRACT SIGNED: 03/11/20
FINAL CSC RECEIVE DATE: 00/00/0000      SA-139 RECEIVE DATE: 11/04/2020
FINAL FCR RECEIVE DATE: 00/00/0000

This is a Chapter 97 project.  Chapter 97 projects are those with a
Commissioner's Approval Date (CAD) on or after 7/1/11.  They are subject to
aid start rules included in Chapter 97 of the laws of 2011.  Chapter 97
projects will not generate Building Aid or display data on this report
until the SA-139, FINAL Certificate of Substantial Completion (CSC) and
Final Cost Report all have been received and processed by SED.  NOTE: Even
if all three documents are received and on file, aid start for Chapter 97
projects may still be deferred if the SA-139 was not received in time to be
included in the data file frozen in November of the school year prior to
the aid year in which Building Aid could otherwise first start.
*****
```

Building Condition Survey (BCS) Aid – **** APPLICABLE FOR CERTAIN DISTRICTS IN 2025-26 ****

Districts which projected Building Condition Survey (BCS) testing expense under entry 139 of their 2024-25 Form FB should expect to see BCS Aid projected on both the Executive and Enacted Budget Computer Runs. For initial Property Tax Cap filings with the Office of the State Comptroller (OSC), this projected aid amount should be deducted from the total Building Aid amount when calculating the capital tax levy exclusion for the coming school year. Districts should retain all documentation pertaining to both the projected BCS expenses and aid for OSC review.

Capital Exclusion (*continued*)

Aid for Water Testing

Districts which projected 2024-25 expenses for water should expect to see additional Building Aid projected on both the Executive and Enacted Budget state aid runs. For initial Property Tax Cap filing with the Office of the State Comptroller (OSC), the projected aid amount should be deducted from the total Building aid amount when calculating the capital tax levy exclusion for the coming school year. Districts should retain all documentation pertaining to both the projected expenses and the aid for OSC review.

Aid for Security Cameras, Metal Detectors and Other Safety

Districts which projected 2024-25 expenses for security cameras, metal detectors, and other safety equipment (Schedule N items) should expect to see additional Building Aid projected on both the Executive and Enacted Budget state aid runs. For initial Property Tax Cap filing with the Office of the State Comptroller (OSC), the projected aid amount should be deducted from the total Building aid amount when calculating the capital tax levy exclusion for the coming school year. Districts should retain all documentation pertaining to both the projected expenses and the aid for OSC review.

Reference Guide to Account Codes Included in Capital Expenditures

ST-3 Account Codes - Including Actual Expenditures in the General, Capital and Debt Service Funds

Selected .2 object codes in the General Fund (Equipment)¹

A1620.4/A1621.4 - Any capital lease expenses

A5510.4/A5530.4 - Any school bus lease expenses

A5510.21 - Purchase of Buses

A9701.6 - Principal: Term Bonds - School Construction

A9702.6 - Principal: Term Bonds - Bus Purchases

A9700.6 - Principal: Term Bonds - Other (Specify)²

A9711.6 - Principal: Serial Bonds - School Construction

A9712.6 - Principal: Serial Bonds - Bus Purchases

A9710.6 - Principal: Serial Bonds - Other (Specify)

A9721.6 - Principal: Statutory Bonds - School Construction

A9722.6 - Principal: Statutory Bonds - Bus Purchases

A9720.6 - Principal: Statutory Bonds - Other (Specify)

A9731.6 - Principal: Bond Anticipation Notes - School Construction

A9732.6 - Principal: Bond Anticipation Notes - Bus Purchases

A9730.6 - Principal: Bond Anticipation Notes - Other (Specify)

A9741.6 - Principal: Capital Notes - School Construction

A9742.6 - Principal: Capital Notes - Bus Purchases

A9740.6 - Principal: Capital Notes - Other (Specify)

A9787.6 - Principal: Installment Purchase Debt - Bus Purchases

A9785.6 - Principal: Installment Purchase Debt - Other (Specify)

A9789.6 - Principal: Other Debt (Specify)

A9701.7 - Interest: Term Bonds - School Construction

A9702.7 - Interest: Term Bonds - Bus Purchases

A9700.7 - Interest: Term Bonds - Other (Specify)

A9711.7 - Interest: Serial Bonds - School Construction

A9712.7 - Interest: Serial Bonds - Bus Purchases

A9710.7 - Interest: Serial Bonds - Other (Specify)

A9721.7 - Interest: Statutory Bonds - School Construction

A9722.7 - Interest: Statutory Bonds - Bus Purchases

A9720.7 - Interest: Statutory Bonds - Other (Specify)

A9731.7 - Interest: Bond Anticipation Notes - School Construction

A9732.7 - Interest: Bond Anticipation Notes - Bus Purchases

A9730.7 - Interest: Bond Anticipation Notes - Other (Specify)

A9741.7 - Interest: Capital Notes - School Construction

A9742.7 - Interest: Capital Notes - Bus Purchases

A9740.7 - Interest: Capital Notes - Other (Specify)

A9787.7 - Interest: Installment Purchase Debt - Bus Purchases

A9785.7 - Interest: Installment Purchase Debt - Other (Specify)

A9789.7 - Interest: Other Debt (Specify)

H522 - Expenditures by Project: Current Funds

V1380.4 - Fiscal Agent Fees

V9701.6 - Principal: Term Bonds - School Construction

V9702.6 - Principal: Term Bonds - Bus Purchases

V9700.6 - Principal: Term Bonds - Other (Specify)

V9711.6 - Principal: Serial Bonds - School Construction

V9712.6 - Principal: Serial Bonds - Bus Purchases

V9710.6 - Principal: Serial Bonds - Other (Specify)

V9721.6 - Principal: Statutory Bonds - School Construction

V9722.6 - Principal: Statutory Bonds - Bus Purchases

V9720.6 - Principal: Statutory Bonds - Other (Specify)

V9731.6 - Principal: Bond Anticipation Notes - School Construction

V9732.6 - Principal: Bond Anticipation Notes - Bus Purchases

V9730.6 - Principal: Bond Anticipation Notes - Other (Specify)

V9741.6 - Principal: Capital Notes - School Construction

V9742.6 - Principal: Capital Notes - Bus Purchases

V9740.6 - Principal: Capital Notes - Other (Specify)

V9787.6 - Principal: Installment Purchase Debt - Bus Purchases

V9785.6 - Principal: Installment Purchase Debt - Other (Specify)

V9789.6 - Principal: Other Debt (Specify)

V9991.4 - Payment to Escrow Agent (Advanced Refunding Bonds)

V9701.7 - Interest: Term Bonds - School Construction

V9702.7 - Interest: Term Bonds - Bus Purchases

V9700.7 - Interest: Term Bonds - Other (Specify)

V9711.7 - Interest: Serial Bonds - School Construction

V9712.7 - Interest: Serial Bonds - Bus Purchases

V9710.7 - Interest: Serial Bonds - Other (Specify)

V9721.7 - Interest: Statutory Bonds - School Construction

V9722.7 - Interest: Statutory Bonds - Bus Purchases

V9720.7 - Interest: Statutory Bonds - Other (Specify)

V9731.7 - Interest: Bond Anticipation Notes - School Construction

V9732.7 - Interest: Bond Anticipation Notes - Bus Purchases

V9730.7 - Interest: Bond Anticipation Notes - Other (Specify)

V9741.7 - Interest: Capital Notes - School Construction

V9742.7 - Interest: Capital Notes - Bus Purchases

V9740.7 - Interest: Capital Notes - Other (Specify)

V9787.7 - Interest: Installment Purchase Debt - Bus Purchases

V9785.7 - Interest: Installment Purchase Debt - Other (Specify)

V9789.7 - Interest: Other Debt (Specify)

Notes:

¹ Equipment:

Must be part of a capital project approved by the voters, where required by law

Retains its original shape and appearance with use

Is non-expendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit

It represents an investment of money which makes it feasible and advisable to capitalize the item

It does not lose its identity through incorporation into a different or more complex unit or substance.

² Any principal or interest that must be specified, such as A9700.6 must be capital in nature. Amounts included in those codes for anything not considered capital may not be included in the Capital Tax Levy Amount.

Reference Guide to Account Codes Included in Capital Expenditures (continued)

Additional ST-3 Account Codes for BOCES Capital Expenditures

A1983.49 – BOCES Capital Expenses (including Buses)

A9703.6 - Principal: Term Bonds - BOCES Construction

A9713.6 - Principal: Serial Bonds - BOCES Construction

A9723.6 - Principal: Statutory Bonds - BOCES Construction

A9733.6 - Principal: Bond Anticipation Notes - BOCES Construction

A9743.6 - Principal: Capital Notes - BOCES Construction

A9703.7 - Interest: Term Bonds - BOCES Construction

A9713.7 - Interest: Serial Bonds - BOCES Construction

A9723.7 - Interest: Statutory Bonds - BOCES Construction

A9733.7 - Principal: Bond Anticipation Notes - BOCES Construction

A9743.7 - Interest: Capital Notes - BOCES Construction

V9703.6 - Principal: Term Bonds - BOCES Construction

V9713.6 - Principal: Serial Bonds - BOCES Construction

V9723.6 - Principal: Statutory Bonds - BOCES Construction

V9733.6 - Principal: Bond Anticipation Notes - BOCES Construction

V9743.6 - Principal: Capital Notes - BOCES Construction

V9703.7 - Interest: Term Bonds - BOCES Construction

V9713.7 - Interest: Serial Bonds - BOCES Construction

V9723.7 - Interest: Statutory Bonds - BOCES Construction

V9733.7 - Principal: Bond Anticipation Notes - BOCES Construction

V9743.7 - Interest: Capital Notes - BOCES Construction

Notes:

¹ Equipment

Must be part of a capital project approved by the voters, where required by law

Retains its original shape and appearance with use


Is non-expendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit

It represents an investment of money which makes it feasible and advisable to capitalize the item

It does not lose its identity through incorporation into a different or more complex unit or substance.

Pension Exclusion

New York State Comptroller
THOMAS P. DiNAPOLI



Property Tax Cap






Retirement Exclusions – School Districts

The tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial contribution rates for the Employee Retirement System (ERS) or the normal contribution rate for the Teachers Retirement System (TRS) in excess of two percentage points may be excluded from the tax levy limit.

Retirement Exclusion Percentage for School Districts		
Fiscal Year Beginning	ERS	TRS
2012	0.60%	No Exclusion
2013	No Exclusion	2.41%*
2014	No Exclusion	No Exclusion
2015	No Exclusion	No Exclusion
2016	No Exclusion	No Exclusion
2017	No Exclusion	No Exclusion
2018	No Exclusion	No Exclusion
2019	No Exclusion	No Exclusion
2020	No Exclusion	No Exclusion
2021	No Exclusion	No Exclusion
2022	No Exclusion	No Exclusion
2023	No Exclusion	No Exclusion
2024	0.10%	No Exclusion
2025	No Exclusion	No Exclusion
2026	Coming February 2026	

*Units that opted into the Stabilization Contribution Plan received a .29% exclusion.

[How to Calculate Retirement Exclusions](#)



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Note: If the ERS System Average Actuarial Contribution Rate or the TRS Employer Contribution Rate (ECR) increases by less than 2 percentage points or decreases from the prior year there are no pension exclusions.

Determining Voter Threshold

If the 2025-26 Proposed Tax Levy is less than or equal to the 2025-26 Maximum Allowable Levy, then the voter approval necessary is a “simple majority” (50% +1)

If the 2025-26 Proposed Tax Levy is greater than the 2025-26 Maximum Allowable Levy, then the voter approval necessary is a “super majority” (60%)

Example:

Proposed Tax Levy		Maximum Allowable Levy	Vote Needed
\$5,550,000	<	\$6,250,000	Simple Majority (50% +1)
\$6,250,000	=	\$6,250,000	Simple Majority (50% +1)
\$6,700,000	>	\$6,250,000	Super Majority (60%)

See Appendix C for more information on determining the voter threshold and the impact of separate propositions.

Another Way to Look at it....

% Increase Over	24-25 Levy	3.48%
Maximum Allowable Tax Levy:		5,174,000
Less Exclusions from the Limit:	-	225,000
Calculated Tax Levy Limit	25-26	\$ 4,949,000

	A	B	C
% Increase Over	24-25 Levy	3.48%	4.55%
Proposed Tax Levy	25-26	5,124,500	5,174,000
Less Exclusions:	-	225,000	225,000
Proposed Tax Levy Less Exclusions:	4,899,500	4,949,000	5,002,500
Below calc. levy limit, simple majority			
At calc. levy limit, simple majority			
Above calc. levy limit, super majority			

What Options Does the Board Have?

Option 1: Propose a budget requiring a tax levy at or below the Maximum Tax Levy prescribed by law

- Requires a simple majority (50% + 1 voter approval)

Option 2: Propose a budget requiring a tax levy above the Maximum Tax Levy prescribed by law

- Requires a super majority (60% or more voter approval)
- Requires a statement on ballot indicating the required tax levy before exclusions exceeds the Tax Levy Limit

Ballot Language:

"Adoption of this budget requires a tax levy increase of (a) exceeds the statutory tax levy increase limit of (b) for this school fiscal year and therefore exceeds the state tax cap and must be approved by sixty percent of the qualified voters present and voting."

(a): Percent by which the total proposed tax levy for the upcoming school year (which includes the tax levy for permissible exclusions from the tax levy limit) exceeds the total tax levy for the prior school year (which includes the tax levy for permissible exclusions from the tax levy limit).

(b): Percent by which:

Tax Levy Limit **plus** Exclusions (Maximum Allowable Levy)

exceeds

Prior Year Tax Levy (including exclusions)

What Happens If the Budget Is Not Approved?

- If the proposed budget is not approved by the required margin (50% +1):
 - the district may resubmit the original budget or submit a revised budget to the voters on the third Tuesday in June OR
 - adopt a contingency budget that **levies a tax no greater than that of the prior year (0% increase in tax levy)**.
- If the resubmitted/revised budget proposal is not approved by the required margin:
 - the Board of Education must adopt a budget that levies a **tax no greater than that of the prior year (0% increase tax levy)** and the budget would be subject to contingent budget requirements.
- Districts will not be allowed to increase the tax levy to the extent necessary to fund items of expenditure excluded from the tax cap
 - No growth factor
 - No capital, court order/judgments or pension exclusions

Contingent Budget Laws Updates:

- Administrative Expenditure Cap: administrative component of a contingency budget must not exceed the lesser of the percent the administrative component comprised in the prior year's budget (exclusive of the capital component) or the percent the administrative component comprised in the last defeated budget (exclusive of the capital component).
 - The percent of the administrative component equals the total of the appropriations comprising the administrative component divided by the total of the appropriations comprising the administrative and programmatic components of the budget. The capital component is excluded from this calculation.

Sample Administrative Cap Calculation

	2024-25 Adopted Budget	2025-26 Proposed Budget
Administrative Component	\$100,000	\$125,000
Program Component	\$700,000	\$1,000,000
Capital Component	\$200,000	\$225,000

Administrative % for 2024-25 Adopted Budget:

$$\frac{\text{2024-25 Administrative Component}}{\text{2024-25 Administrative Component} + \text{2024-25 Program Component}} = \frac{\$100,000}{\$100,000 + \$700,000} = 12.50\%$$

Administrative % for 2025-26 Proposed Budget:

$$\frac{\text{2025-26 Administrative Component (Proposed Budget)}}{\text{2025-26 Administrative Component (Proposed)} + \text{2025-26 Program Component (Proposed)}} = \frac{\$125,000}{\$125,000 + \$1,000,000} = 11.11\%$$

If, in this example, the proposed budget was defeated, and the district decided to immediately adopt a contingent budget, then the administrative component of that contingent budget could not be greater than 11.11%. If, as allowed by law, the district did hold a budget revote and the budget proposed again was defeated, then the administrative cap of the contingent budget could not be greater than the lesser of the 2023-24 adopted budget administrative cap or the administrative cap of the budget that was proposed in the revote.

- All non-contingent expenses must be removed from a contingency budget
- Expenditures are no longer subject to overall contingent budget spending cap (4% or 120% of CPI)

For more information on Contingent Budgets, see our [Budget Development School District Guidelines guidebook](#).

FAQ

Q: What happens if a district has negative exclusions?

A: Exclusions can never be negative. It defaults to 0.

Q: In the Spring (May) a school district estimated their maximum allowable levy to be 4%. They published a tax levy at 2.85%, which was approved by over 80% of the voters. When gathering information to set the tax rate, the board decided they wanted to establish a levy that is higher than the 2.85% but lower than the 4%. Is this allowable?

A: SED has advised that school districts should not increase the tax levy that was presented to the voters in May. SED realizes districts have long adjusted their tax levy amounts when they set their warrant and that this new line of thinking has not been tested in court or before the Commissioner yet. Nonetheless, they suggest there ought to be a viable reason for adopting a warrant with a tax levy increase greater than what was presented to the voters in May. Please contact SED or check with your school attorney for additional information.

Q: Conversely, can a school district decrease the tax levy from what was presented to the voters in May, due to excess fund balance for example? If yes, can the district apply the excess as allowable carryover in the subsequent year?

A: SED has advised that school districts can decrease the tax levy that was presented to the voters in May. Whether the excess can be applied as allowable carryover in the subsequent year has not been determined at this point.

Q: What happens if there is an error in the calculation of the cap?

A: If, due to clerical or technical errors, the actual levy exceeds the maximum allowable tax levy, the excess amount collected is placed in reserve. The excess amount and any interest earned will be used to offset the tax levy in the following year.

Q: What information should a district use for determining PILOTs?

A: Districts should use the best information they have on hand at the time of the tax cap calculation submission. This includes PILOT schedules; any historical PILOT payment amounts and any other documentation that would help justify the amounts used.

FAQ (*continued*)

Q: Do districts need to offset the capital exclusion by any Fund Balance that they are planning to apply towards next year's budget?

A: Maybe not. Districts should reduce the capital exclusion by any Fund Balance specifically designated towards a capital expense.

Q: Which equipment is included in the capital exclusions?

A: Equipment must be part of a capital project approved by the voters, where required by law. It must retain its original shape and appearance with use, must be non-expendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit, must represent an investment of money which makes it feasible and advisable to capitalize the item, and must not lose its identity through incorporation into a different or more complex unit or substance.

Q: Does it matter how expenses in the capital fund are funded when it comes to calculation of the capital local expenditure?

A: Yes. Expenses incurred, or projected to be incurred in the capital fund (H522) and supported by a transfer from the General Fund are included in the capital local expenditure calculation for the Property Tax Cap. Expenses in the capital fund that are supported by funds from a capital reserve, the debt service fund, designated fund balance or any other sources of revenues other than general fund tax levy need to be reduced by the amount of such transfers or sources of revenue.

Q: If the tax cap calculation results in a negative tax levy, would levying a tax levy by 0% require a supermajority?

A: Yes, any amount higher than the negative amount would require a supermajority.

Q: How are expenses for debt on a building that houses a public library handled in the tax cap calculation?

A: Such expenses are not to be included in any part of the tax cap calculation. Where districts have debt as part of their own budget for such an expense, that amount should be subtracted from their starting levy when doing their tax cap calculation and such debt should not be included as part of the capital local expenditure calculation.

Q: Do I need to include my water testing expenses and revenues in the calculation for the capital exclusions?

A: No, the expenses should not be included with the other capital expenses and anticipated or received aid for water testing should be deducted from the total Building Aid used.

Appendix A

Sample Property Tax Cap Form

Summary		
Tax Levy Limit, Before Adjustments and Exclusions		
✓	Real Property Tax Levy FYE 2025	\$15,664,460
✓	Tax Cap Reserve Offset from FYE 2024 Used to Reduce FYE 2025 Levy	\$0
✓	Total Tax Cap Reserve Amount (Including Interest Earned) from FYE 2025	---
✓	Tax Base Growth Factor	1.0098
✓	PILOTs Receivable FYE 2025	\$87,547
✓	Tort Exclusion Amount Claimed in FYE 2025	\$0
*	Capital Tax Levy Exclusion FYE2025	\$1,184,693
✓	Allowable Levy Growth Factor	1.0200
✓	PILOTs Receivable FYE 2026	\$0
✓	Available Carryover from FYE 2025	---
Tax Levy Limit Before Adjustments/Exclusions		\$14,967,309
Exclusions		
✓	Tort Exclusion	\$0
*	Capital Tax Levy Exclusion FYE2026	\$0
✓	Teachers' Retirement System Exclusion	\$0
✓	Employees' Retirement System Exclusion	\$0
	Total Exclusions	\$0
Your FYE 2026 Tax Levy Limit, Adjusted for Transfers plus Exclusions		\$14,967,309
✓	Total Tax Cap Reserve Amount Used to Reduce FYE 2026 Levy	---
*	FYE 2026 Proposed Levy, Net of Reserve	---
Difference Between Tax Levy Limit and Proposed Levy		\$14,967,309
*	Do you plan to override the Tax Cap for FYE 2026 ?	---

<https://www.osc.state.ny.us/local-government/property-tax-cap>

Appendix B

State Aid to be Deducted from Capital Expenditures When Calculating Capital Levy Exclusion

2025-26 Estimated Capital Local Levy Revenue to be Deducted from Expenses

2025-26 TRANSFERS FROM DEBT SERVICE FUND & OTHER MISCELLANEOUS REVENUE

2025-26 EXCEL AID (IF APPLICABLE)

2025-26 BUILDING AID

2025-26 Executive Budget Proposal - BT-242-5:

2025-26 Building Aid (Adjusted for interest rate recalibration & Ch. 97 projects (see p. 10)

2025-26 Reorganization Incentive Building Aid

2025-26 Native American Aid

LESS 2025-26 Aid for Water Testing (see p.12)

LESS 2025-26 Aid for Security Cameras, Metal Detectors and Other Safety Equipment (see p.12)

LESS Deferred Building Aid

2024-25 Deferred Building Aid

2023-24 Deferred Building Aid

PLUS Aid on Certain Chapter 97 Projects (see p. 10-11)

LESS 2025-26 Building Condition Survey Aid (see p. 11)

2025-26 TRANSPORTATION AID

2025-26 Estimated Transportation Aid Output Report (TRA-EST):

Entries 49 + 50 + 51 + 52 and 56 + 57 + 58 + 59 Total Assumed Capital Expense Aidable 2025-26
(Excluding Equipment)

Estimated 2025-26 State Share Ratio for Transportation Aid (from Exec. Budget Proposal)

Total 2025-26 Aid for Bus Purchase and Transportation Equipment =

Total Assumed Capital Expense X State Share Ratio

2025-26 BOCES AID

2025-26 Based on BOCES Projections Provided to Districts

Appendix C

Voter Approval Thresholds for Budgets and Propositions

<u>IF PROPOSED BUDGET...</u>	<u>AND</u>	<u>PROPOSITION RESULT IN...</u>	<u>...THEN...</u>	<u>VOTER THRESHOLD</u>
< or = Maximum Allowable Levy		Budget + Capital Proposition <, = or > Maximum Allowable Levy <i>(Expenses related to capital propositions i.e., capital construction or bus purchases are exclusions from the tax levy limit so therefore do not impact the voter threshold)</i>		Budget: 50% + 1 vote Proposition: 50% + 1 vote
> Maximum Allowable Levy		Budget + Capital Proposition Require a levy > Maximum Allowable Levy <i>(Expenses related to capital propositions i.e., Capital construction or bus purchases, are exclusions from the tax levy limit so therefore do not impact the voter threshold)</i>		Budget: 60% vote Proposition: 50% + 1 vote
< or = Maximum Allowable Levy		Budget + Education Program Proposition Require a levy < or = Maximum Allowable Levy		Budget: 50% + 1 vote Proposition: 50% + 1 vote
> Maximum Allowable Levy		Budget + Education Program Proposition Require a levy > Maximum Allowable Levy		Budget: 60% vote Proposition: 60% vote

If the budget fails and the proposition passes, the district has the following options:

1. Revise or resubmit main budget for revote in June.
2. Adopt a contingent budget. Under a contingent budget the tax levy cannot exceed the tax levy for the prior year (0% tax levy change) with no exclusions. Implementation of the proposition is optional except if the proposition is to revise transportation distance limits, then the approved proposition must be implemented (with no increase in the levy). In any case, under a contingent budget no additional taxes may be levied above the prior year tax levy amount regardless of whether a proposition is implemented or not.
3. After 2 budget defeats, the Board of Education must adopt a contingent budget.

Education Program Propositions = interscholastic athletics, kindergarten, etc. This DOES NOT INCLUDE: mandated programs such as core subjects and special education. Propositions must be for a purpose within the power of the voters to authorize.

OSC's tax cap portal requires districts to answer a question about propositions. If the answer is yes, the form expands to allow districts to provide proposition details within that section.

Appendix D

Property Tax Cap – Legislation

* § 2023-a. Limitations upon school district tax levies. 1. Generally. Unless otherwise provided by law, the amount of taxes that may be levied by or on behalf of any school district, other than a city school district of a city with one hundred twenty-five thousand inhabitants or more, shall not exceed the tax levy limit established pursuant to this section, not including any tax levy necessary to support the expenditures pursuant to subparagraphs (i) through (iv) of paragraph i of subdivision two of this section.

2. Definitions. As used in this section:

a. "Allowable levy growth factor" shall be the lesser of: (i) one and two one-hundredths; or (ii) the sum of one plus the inflation factor; provided, however, that in no case shall the levy growth factor be less than one.

b. "Available carryover" means the amount by which the tax levy for the prior school year was below the applicable tax levy limit for such school year, if any, but no more than an amount that equals one and one-half percent of the tax levy limit for such school year.

c. "Capital local expenditures" means the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law. The commissioner of taxation and finance shall, as appropriate, promulgate rules and regulations which may provide for adjustment of capital local expenditures to reflect a school district's share of additional budgeted capital expenditures made by a board of cooperative educational services.

d. "Capital tax levy" means the tax levy necessary to support capital local expenditures, if any.

e. "Coming school year" means the school year for which tax levy limits are being determined pursuant to this section.

f. "Inflation factor" means the quotient of: (i) the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period preceding January first of the current year minus the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period preceding January first of the prior year divided by: (ii) the average of the national consumer price indexes determined by the United States department of labor for the twelve-month period preceding January first of the prior year, with the result expressed as a decimal to four places.

g. "Prior school year" means the school year immediately preceding the coming school year.

h. "School district" means a common school district, union free school district, central school district, central high school district or a city school district in a city with less than one hundred twenty-five thousand inhabitants.

i. "Tax levy limit" means the amount of taxes a school district is authorized to levy pursuant to this section, provided, however, that the tax levy limit shall not include the following:

Appendix D

Property Tax Cap – Legislation (*continued*)

(i) a tax levy necessary for expenditures resulting from court orders or judgments against the school district arising out of tort actions for any amount that exceeds five percent of the total tax levied in the prior school year;

(ii) in years in which the system average actuarial contribution rate of the New York state and local employees' retirement system, as defined by paragraph ten of subdivision a of section nineteen-a of the retirement and social security law increases by more than two percentage points from the previous year, a tax levy necessary for expenditures for the coming fiscal year for school district employer contributions to the New York state and local employees' retirement system caused by growth in the system average actuarial contribution rate minus two percentage points

(iii) in years in which the normal contribution rate of the New York state teachers' retirement system, as defined by paragraph a of subdivision two of section five hundred seventeen of this chapter, increases by more than two percentage points from the previous year, a tax levy necessary for expenditures for the coming fiscal year for school district employer contributions to the New York state teachers' retirement system caused by growth in the normal contribution rate minus two percentage points; and

(iv) a capital tax levy.

2-a. Tax base growth factor. a. No later than February fifteenth of each year, the commissioner of taxation and finance shall identify those school districts for which tax base growth factors must be determined for the coming school year, and shall notify the commissioner of the tax base growth factors so determined, if any.

b. The commissioner of taxation and finance shall calculate a quantity change factor for the coming school year for each school district based upon the physical or quantity change, as defined by section twelve hundred twenty of the real property tax law, reported to the commissioner of taxation and finance by the assessor or assessors pursuant to section five hundred seventy-five of the real property tax law. The quantity change factor shall show the percentage by which the full value of the taxable real property in the school district has changed due to physical or quantity change between the second final assessment roll or rolls preceding the final assessment roll or rolls upon which taxes are to be levied, and the final assessment roll or rolls immediately preceding the final assessment roll or rolls upon which taxes are to be levied. The commissioner of taxation and finance shall, as appropriate, promulgate rules and regulations regarding the calculation of the quantity change factor which may adjust the calculation based on the development on tax exempt land.

c. After determining the quantity change factor for a school district, the commissioner of taxation and finance shall proceed as follows:

(i) If the quantity change factor is negative, the commissioner of taxation and finance shall not determine a tax base growth factor for the school district.

(ii) If the quantity change factor is positive, the commissioner of taxation and finance shall determine a tax base growth factor for the school district which is equal to one plus the quantity change factor.

3. Computation of tax levy limits. a. Each school district shall

Appendix D

Property Tax Cap – Legislation (*continued*)

calculate the tax levy limit for each school year which shall be determined as follows:

- (1) Ascertain the total amount of taxes levied for the prior school year.
- (2) Multiply the result by the tax base growth factor, if any.
- (3) Add any payments in lieu of taxes that were receivable in the prior school year.
- (4) Subtract the tax levy necessary to support the expenditures pursuant to subparagraphs (i) and (iv) of paragraph i of subdivision two of this section for the prior school year, if any.
- (5) Multiply the result by the allowable levy growth factor.
- (6) Subtract any payments in lieu of taxes receivable in the coming fiscal year.
- (7) Add the available carryover, if any.

b. On or before March first of each year, any school district subject to the provisions of this section shall submit to the state comptroller, the commissioner, and the commissioner of taxation and finance, in a form and manner prescribed by the state comptroller, any information necessary for the calculation of the tax levy limit; and the school district's determination of the tax levy limit pursuant to this section shall be subject to review by the commissioner and the commissioner of taxation and finance.

4. Reorganized school districts. When two or more school districts reorganize, the commissioner shall determine the tax levy limit for the reorganized school district for the first school year following the reorganization based on the respective tax levy limits of the school districts that formed the reorganized district from the last school year in which they were separate districts, provided that in the event of formation of a new central high school district, the tax levy limits for the new central high school district and its component school districts shall be determined in accordance with a methodology prescribed by the commissioner.

5. Erroneous levies. In the event a school district's actual tax levy for a given school year exceeds the maximum allowable levy as established pursuant to this section due to clerical or technical errors, the school district shall place the excess amount of the levy in reserve in accordance with such requirements as the state comptroller may prescribe, and shall use such funds and any interest earned thereon to offset the tax levy for the ensuing school year.

6. (a) Notwithstanding any other provision of law to the contrary, in the event the trustee, trustees or board of education of a school district that is subject to the provisions of this section proposes a budget that will require a tax levy that exceeds the tax levy limit for the corresponding school year, not including any levy necessary to support the expenditures pursuant to subparagraphs (i) through (iv) of paragraph i of subdivision two of this section, then such budget shall be approved if sixty percent of the votes cast thereon are in the affirmative.

(b) Where the trustee, trustees or board of education proposes a budget subject to the requirements of paragraph (a) of this subdivision, the ballot for such budget shall include the following statement in substantially the same form: "Adoption of this budget requires a tax

Appendix D

Property Tax Cap – Legislation (*continued*)

levy increase of which exceeds the statutory tax levy increase limit of for this school fiscal year and therefore exceeds the state tax cap and must be approved by sixty percent of the qualified voters present and voting."

7. In the event that the original proposed budget is not approved by the voters, the sole trustee, trustees or board of education may adopt a final budget pursuant to subdivision eight of this section or resubmit to the voters the original or a revised budget at a special district meeting in accordance with subdivision three of section two thousand seven of this part. Upon one defeat of such resubmitted budget, the sole trustee, trustees or board of education shall adopt a final budget pursuant to subdivision eight of this section.

8. Notwithstanding any other provision of law to the contrary, if the qualified voters fail to approve the proposed school district budget upon resubmission or upon a determination not to resubmit for a second vote pursuant to subdivision seven of this section, the sole trustee, trustees or board of education shall levy a tax no greater than the tax that was levied for the prior school year.

9. Nothing in this section shall preclude the trustee, trustees, or board of education of a school district, in their discretion, from submitting additional items of expenditures to the voters for approval as separate propositions or the voters from submitting propositions pursuant to sections two thousand eight and two thousand thirty-five of this part; provided however, except in the case of a proposition submitted for any expenditure contained within subparagraphs (i) through (iv) of paragraph i of subdivision two of this section, if any proposition, or propositions collectively that are subject to a vote on the same date, would require an expenditure of money that would require a tax levy and would result in the tax levy limit being exceeded for the corresponding school year then such proposition shall be approved if sixty percent of the votes cast thereon are in the affirmative.

* NB Repealed June 16, 2020

Appendix E

BOCES Capital Exclusion – Regulations from NYS Department of Taxation and Finance

STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
COMMISSIONER OF TAXATION AND FINANCE
ALBANY, NEW YORK

Pursuant to the authority contained in Tax Law section 171, subdivision First, and paragraph (c) of subdivision (2) of section 2023-a of the Education Law, the Commissioner of Taxation and Finance hereby makes and adopts as an emergency measure and proposes to make and adopt as a permanent rule the following amendments to the Real Property Tax Administration regulations as published in Title 20 of the Official Compilation of Codes, Rules and Regulations of the State of New York, to read as follows:

Section 1. A new Part 8300 is added to read as follows:

Part 8300

(Statutory Authority: Tax Law section 171, subdivision First;
Education Law section 2023-a (2)(c))

Capital Local Expenditures for School District's Share of Additional Budgeted Capital Local Expenditures

Made by a Board of Cooperative Educational Services

Section 8301. Definition of Capital Local Expenditures.

(a) Pursuant to Education Law Section 2023-a, beginning in the 2020-2021 school year and each school year thereafter, school districts may increase their property tax levy above the levy limit for certain costs resulting from Capital Local Expenditures, including the allowable share of board of cooperative educational services (BOCES) capital expenditures.

(b) For purposes of this section, Capital Local Expenditures are defined as those expenditures, including a school district's allowable share of BOCES capital expenditures, resulting from the financing,

Appendix E

BOCES Capital Exclusion – Regulations from NYS Department of Taxation and Finance (*continued*)

- 2 -

refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for school district/BOCES capital facilities, school district/BOCES capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law.

(c) Capital Local Expenditures must be for projects with a period of probable usefulness as defined in Local Finance Law.

(d) Capital Local Expenditures do not include expenditures for maintenance or operations.

(e) For the purposes of calculating the levy limit for 2020-2021, a district's share of BOCES capital expenditures in 2019-2020 must be added to the calculation of the prior year capital local expenditures.

Dated: Albany, New York
December 27, 2019

Michael R. Schmidt
Commissioner of Taxation and Finance

Appendix F

Additional Resources

[State Aid Planning- Tax Cap Resources](#)

There are two tools available under the Office/Planning/Budget tab:

- 2025-26 Capital Levy Exclusion/Property Tax Cap Worksheet
This tool will help a district in determining the State Aid related to the capital exclusion items in the Property Tax Cap
- 2025-26 Tax Cap Projection
This tool will help determine the Property Tax Cap

[Office of the State Comptroller- Tax Cap Information](#)

[NYSED Ed Management Services- Tax Cap Information for Schools](#)

[NYSED- Tax Cap Guidance](#)

[Department of Tax and Finance- Tax Cap Information](#)