

**THE 2% “TAX CAP” LAW
IT IS NOT A TAX CAP ON THE TAX RATE
BUT A TAX CAP ON THE REAL PROPERTY TAX LEVY**

New York State has put in place a formula for municipalities to calculate the Real Property Tax Levy Limit, called the (“Tax Cap”) on their real property tax levy.

New York State has provided a base formula for villages like ours to calculate the Tax Levy Limit.

Prior Year tax levy amount	\$ 1,576,158.00
(x) tax base growth factor (Bricks & Mortar development for Asharoken) .38%	\$ 5,989.40
Total	\$ 1,582,147.40
(+) Pilots Receivable (Our Village has no Payments in Lieu of Taxes)	\$ -
	\$ -
(x) Allowable levy growth factor (Lesser of CPI & Growth Factor) 2.0%	\$ 31,642.95
Tax levy before Pension Adjustments	\$ 1,613,790.35
(+) Carryover from 2012	\$ 5,341.00
	\$ 1,619,131.35
(+) Pension Exclusions Projected Salaries & Rates from NYS Local Retirement State & Local Employees Retirement (Projected \$56,267 x 0.0%)	
Police & Fire Retirement System (Projected \$603,023 x 1.1%)	\$ 6,633.25
Total Exclusions	\$ 6,633.25
Real Property Tax Levy limit (Tax Cap)	\$ 1,625,764.60
Tentative Tax Levy for fiscal year 5/31/2014	\$ 1,622,875.00
Difference between Tax Levy Limit & Tentative Tax Levy (Under the tax Cap)	\$ 2,889.60

The Tax Base Growth Factor is a number (1.0038) that is given to our Village by the Dept. of Taxation and Finance office.

The Allowable Levy Growth Factor is the lesser of the Inflation Factor and the allowable levy growth factor provided by the Office of State Comptroller and Bureau of Labor Statistics. For the Fiscal year 5/31/2014 the Allowable Levy Growth Factor is the lesser of (Growth factor 2.0% or Inflation factor 2.17%).

PILOTS: (Payment in Lieu of Taxes) which our Village does not have.

Carryover: The village is allowed to carryover a portion of the unused tax levy limit from 2012.

Pensions Exclusion: New York State has provided a portion of the pension increases to be excluded when calculating the tax levy limit. Percentages & projections are provided by NYS Comptroller.

The tentative real property tax levy for fiscal year 5/31/2014 is under the real property tax cap calculated by using the NYS local government tax cap formula.