



For Immediate Release
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Changes to the New York State Tax Cap:

What are they and what is the potential benefit to school districts?

The 2015 legislative session concluded with two adjustments to the Tax Cap that reflected priorities of NYSASBO and the Education Conference Board. The changes relate to excluding school district local capital expenditures for BOCES instructional space and counting payments in lieu of taxes from tax exempt properties in the calculation of each school district's allowable tax levy limit.

These changes are contingent on regulations to be established by the NYS Tax and Finance Commissioner. While the specific method and details are not yet known, NYSASBO reports that in recent years there was spending of \$23 million for BOCES construction projects and increases in payments in lieu of taxes of up to \$23 million.

Balancing education and tax relief has been a NYSASBO priority since the Tax Cap was first introduced in New York State. While the legislative action is welcome and appears to reflect an interest in making the Tax Cap work better for schools, there are some troubling aspects. "First, the changes depend on the discretion of the Commissioner of Tax and Finance to implement," said Michael J. Borges, NYSASBO's Executive Director. "Second, due to low inflation, school districts are faced with the potential of no increase in the Tax Cap for next year," Mr. Borges continued. "Even with these long sought after adjustments to the tax cap, many school districts will struggle to meet their educational obligations, if current low inflation trends continue," Mr. Borges concluded. The 2016 tax cap is based on the CPI for the preceding twelve months (Jan-Dec. 2015) and is released in mid- January, while school districts must submit their Tax Cap data for school year 2016-17 by March 1, 2016.

For the full report and attachments, see:

<http://www.nysasbo.org/page/news-5.html>

[http://www.nysasbo.org/page/news-5/news/nysasbo-and-the-rockefeller-institute-of-government-to-host--second-annual-school-finance-symposium--balancing-educational-excellence-with-tax-relief-259.html](http://www.nysasbo.org/page/news-5/news/nysasbo-and-the-rockefeller-institute-of-government-to-host-second-annual-school-finance-symposium--balancing-educational-excellence-with-tax-relief-259.html)

<http://www.bls.gov/news.release/cpi.nr0.htm>