

# SCHOOL DISTRICT OF BENTON



## 2018 REFERENDUM - ESTIMATED TAX IMPACT

The 2018 Referendum is made up of two portions:

1. The **\$300,000** “recurring” portion
  - a. Replaces the expiring \$300,000 amount from the 2015 Referendum.
  - b. Does not create an increase or decrease in taxes - referred to as “**levy neutral.**”
  - c. The recurring portion is on-going and does not expire.
  
2. The “non-recurring” 4-year portion
  - a. **\$150,000 and \$225,000** in the first two years results in a **tax increase.**
  - b. **\$370,000** in the third and fourth years is added to the tax levy when the building debt tax levy is subtracted, and the base revenue limit is declining, resulting in a **net tax decrease** in those years.
  - c. The non-recurring amounts expire after the four years.
  
3. Tax impact is affected by the following:
  - a. Decline in base revenue limit due to decline in enrollment
  - b. Receipt of state aid
  - c. District’s tax base (property values)

## Calculating the Tax Impact

Tax Impact for the \$300,000 recurring portion is “levy neutral” – no increase or decrease

Tax impact for the non-recurring portion is shown below as a mill rate per \$1,000 of equalized value.

<u>Tax Bill Impacted</u>	<u>Non-Recurring Amount</u>	<u>Est. Mill Rate Per \$1,000 Equalized Value</u>
Dec 2018	\$150,000	\$1.40
Dec 2019	\$225,000	\$0.75
Dec 2020	\$370,000	(\$2.85)*
Dec 2021	\$370,000	(\$2.18)*

Below are examples of how to apply the mill rate to various property values to calculate the increase or decrease in taxes:

**Property Value X Mill Rate = Tax Increase or (Decrease)**

-----Property Values -----

<u>Mill Rate Per \$1,000</u>	<u>\$100,000</u>	<u>\$125,000</u>	<u>\$150,000</u>
\$ 1.40	\$140.00	\$175.00	\$210.00
\$ 0.75	\$ 75.00	\$ 93.75	\$112.50
\$(2.85)*	(\$285.00)	(\$356.25)	(\$427.50)
\$(2.18)*	(\$218.00)	(\$272.50)	(\$327.00)

\*Includes tax decrease from building referendum being paid off

## 2018 Referendum Impact Compared to 2017-18 Budget Mill Rate

The mill rate shown for the 2018 Referendum does not include the mill rate for the School District's entire budget which appears on the tax bill. For budget year 2017-18, the Benton School District's mill rate for the entire budget was \$12.69 per \$1,000. This mill rate includes the operating budget (fund 10), community service (fund 80) and building debt (fund 39).

Using the actual 2017-18 budget information as the base for this demonstration, the graph below shows how the 2018 Referendum is included in future operating budgets and the existing building referendum debt is removed from future budgets.

Tax Impact  
Increase /(Decrease)  
compared to 2017-18

