

Current-Law Application of the Property Tax Adjustment
Hypothetical Homeowner

	Per-pupil education spending	\$13,900
	Base education amount	<u>\$9,285</u>
	Multiplier*	1.5
FY2015		
	<u>Tax Based on Homestead Value</u>	<u>Tax Based on Household Income</u>
Base homestead tax rates	\$0.98	1.8%
Multiplier*	<u>1.5</u>	<u>1.5</u>
Homestead tax rates adjusted by multiplier	\$1.47	2.7%
Housesite value or household income	\$200,000	\$75,000
Homestead tax (taxpayer owes lower amount)	\$2,934	\$2,021
Tax based on homestead value	\$2,934	
Tax based on household income	<u>\$2,021</u>	
Property tax adjustment**	(\$913)	

*Appears on
FY2016 tax bill*

** Under current law, this property tax adjustment is applied to the homeowner's education property tax bill in FY2016 rather than FY2015. This practice makes it very difficult for taxpayers to understand the relationship between their school budget and their education tax bill and creates hardships for some taxpayers.

Current-Law Application of the Property Tax Adjustment
Hypothetical Homeowner

	FY2013		FY2014		FY2015	
Per-pupil education spending		\$14,000		\$14,500		\$15,000
Base education amount		<u>\$8,723</u>		<u>\$9,151</u>		<u>\$9,285</u>
Multiplier*		1.60		1.58		1.62
	Homestead Value	Household Income	Homestead Value	Household Income	Homestead Value	Household Income
Base homestead tax rates	\$0.89	1.80%	\$0.94	1.80%	\$0.98	1.80%
Spending adjustment	<u>1.60</u>	<u>1.60</u>	<u>1.58</u>	<u>1.58</u>	<u>1.62</u>	<u>1.62</u>
Spending adjusted tax rates	\$1.43	2.9%	\$1.49	2.9%	\$1.58	2.9%
Housesite value or household income	\$200,000	\$75,000	\$200,000	\$75,000	\$200,000	\$75,000
Homestead tax (lower amount)	\$2,857	\$2,167	\$2,979	\$2,139	\$3,166	\$2,181
Less <u>prior-year</u> property tax adjustment			<u>(\$690)</u>		<u>(\$840)</u>	
Education tax due			\$2,289		\$2,327	
Tax based on homestead value		\$2,857		\$2,979		\$3,166
Tax based on household income		<u>\$2,167</u>		<u>\$2,139</u>		<u>\$2,181</u>
Property tax adjustment		<u>(\$690)</u>		<u>(\$840)</u>		<u>(\$985)</u>
Net education tax is based on:						
Housesite value			CY2013		CY2014	
Tax rate			2013-2014 tax bill		2014-2015 tax bill	
Household income			CY2011		CY2012	
Income rate			2012-2013 tax bill		2013-2014 tax bill	
Housesite value			CY2012		CY2013	
Tax rate			2012-2013 tax bill		2013-2014 tax bill	
Proposed						
Household income			CY2012 (filed 2013)		CY2013 (filed 2014)	
Housesite value			CY2013		CY2014	
Education tax rates			2013-2014 tax bill		2014-2015 tax bill	