

Town of Sandwich Assessing Department

Explanation of LEVY LIMIT – Fiscal 2019

There can be confusion as to how the tax levy is calculated in a Fiscal Year. This handout attempts to explain the adjustments allowed in that process.

First, a couple of facts to bear in mind:

Town Budget – The Town budget is established after a several month long process of meetings and hearings; culminating in **approval by the voters** at the Annual Town Meeting each May.

Tax Levy - The tax levy is the amount of money to be raised to fund the **VOTER APPROVED** Fiscal Year budget after reduction by other sources of revenue (local aid, local receipts such as motor vehicle excise, etc.) That amount must also fall with legal limits as set forth under Proposition 2 ½. There is an excellent primer about Proposition 2 ½ at the Massachusetts Department of Revenue/Division of Local Services website.

Link: <http://www.mass.gov/dor/docs/dls/publ/misc/levylimits.pdf>

The second page of this handout is the levy limit worksheet, used by all Massachusetts communities to calculate the allowable tax levy for each Fiscal Year, including all allowances (debt exclusions, capital exclusions) that are voted outside of Proposition 2 ½.

Please refer to this chart below for explanation for each levy adjustment (starting with Adj.)

Adj. 1	This is the calculation of 2 ½ percent on the PRIOR year Levy Limit
Adj. 2	This is the calculation of new growth (all new constructions, lots, etc.) from the past year. That new value is divided by 1,000 and multiplied by the PRIOR year tax rate – to create a dollar amount that can be added to the levy. This amount is approved by the DOR/Bureau of Local Assessment (form LA-13)
Adj. 3	This number is the annual levy amount for existing, long term debt exclusions , as approved by voters in prior elections. (School construction, Public Safety Complex, Landfill closure, land purchase, etc.)
Adj. 4	Annual Cape Cod Commission charge – is raised outside of Proposition 2 ½

**Levy Limit
 Fiscal Year 2019**

FOR BUDGET PLANNING PURPOSES

I. TO CALCULATE THE FY 2018 LEVY LIMIT

A. FY 2017 Levy Limit	56,158,926	
A1. ADD Amended FY 2017 Growth	0	
B. ADD (IA + IA1)*2.5%	1,403,973	
C. ADD FY 2018 New Growth	1,022,046	
C1. ADD FY 2018 New Growth Adjustment	0	
D. ADD FY 2018 Override	0	
E. FY 2018 Subtotal	58,584,945	
F. FY 2018 Levy Ceiling	102,954,240	I. 58,584,945
		FY 2018 Levy Limit

II. TO CALCULATE THE FY 2019 LEVY LIMIT

A. FY 2018 Levy Limit from I	58,584,945	
A1. ADD Amended FY 2018 Growth	0	
B. ADD (IIA + IIA1)*2.5%	Adj . 1 1,464,624	
C. ADD FY 2019 New Growth	Adj . 2 595,074	
C1. ADD FY 2019 New Growth Adjustment	0	
D. ADD FY 2019 Override	0	
E. ADD FY 2019 Subtotal	60,644,643	
F. FY 2019 Levy Ceiling	107,915,892	II. 60,644,643
		FY 2019 Levy Limit

III. TO CALCULATE THE FY 2019 MAXIMUM ALLOWABLE LEVY

A. FY 2019 Levy Limit from II.	60,644,643
B. FY 2019 Debt Exclusion(s)	Adj . 3 1,130,429
C. FY 2019 Capital Expenditure Exclusion(s)	0
D. FY 2019 Stabilization Fund Override	0
E. FY 2019 Other Adjustment : Cape Cod Commission	Adj . 4 175,557
F. FY 2019 Water/Sewer	0
G. FY 2019 Maximum Allowable Levy	61,950,629

Signatures

Board of Assessors

- Nicholas E. Fernandes, Assessor , Sandwich , assessing@townofsandwich.net 508-888-0157 | 11/29/2018 9:40 AM**
- Robert G James, Assessor , Sandwich , assessing@townofsandwich.net 508-888-0157 | 11/29/2018 9:37 AM**
- Lawrence B. Harrington, Assessor , Sandwich , assessing@townofsandwich.net 508-888-0157 | 11/29/2018 9:36 AM**

NOTE : The information was Approved on 12/6/2018