

Tax Cap Calculation

• Taxes From Prior Year	\$17,169,934
• CPI-U (Dec-Dec = 6.5%)	<u>\$ 1,116,046</u>
• Subtotal	\$18,285,980
• Pick Ups	
• Value \$10,547,868/1000	
• Tax Rate <u>\$24.39</u>	<u>\$ 257,263</u>
• Tax Cap Operating	\$18,543,243
• P&I Payments & Capital	<u>\$ 0</u>
• Total Tax Cap	\$18,543,243

Franklin City Charter C-32 & NH RSA 49-C:33

Tax Distribution

School Statewide Property Tax	1,217,843
School Local School District	5,384,379
Merrimack County	1,931,238
TIF Districts	134,614
Veteran's Credits	128,525
Overlay	31,000
Municipal Operations	9,715,643
Total Property Tax Supporting Current Budget	18,543,242

Authorization of Debt

○ Taxes From Prior Year	\$17,169,934
○ CPI-U (Dec-Dec = 6.5%)	<u>\$ 1,116,046</u>
○ Subtotal	\$18,285,980
○ Pick Ups	
○ Value \$10,547,868/1000	
○ Tax Rate <u>\$2 4.39</u>	<u>\$ 257,263</u>
○ Tax Cap Operating	\$18,543,243
○ P&I Payments & Capital	<u>\$ 1,400,000</u>
○ Total Tax Cap	\$19,943,243

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Tax Distribution w/ LTD Authorization

School Statewide Property Tax	1,217,843	6.11%
School Local School District	5,384,379	27.00%
Merrimack County	1,931,238	9.68%
TIF Districts	134,614	0.67%
Veteran's Credits	128,525	0.64%
Overlay	31,000	0.16%
Municipal Operations	9,715,643	48.72%
Debt Service Fund	1,400,000	7.02%
Total Property Tax Supporting Current Budget	19,943,242	100.00%

Tax Cap vs Tax Rate

- Tax cap is the total taxes we can collect – this is a constant
- Tax Rate Formula

$$\text{Total Taxes}/(\text{Assessed Value}/1000) = \text{Tax Rate}$$

Tax Cap vs Tax Rate

Total Taxes/(Assessed Value/1000) = Tax Rate

A. $100 / (100,000 / 1000) = \1.00

B. $100 / (90,000 / 1000) = \1.23

C. $100 / (120,000 / 1000) = \$.84$

Bond Effect on Tax Rate

- Effect on current tax rate = \$2.02-2.47
- Possible effect on tax rate in 2023 after revaluation = \$1.56 - \$1.89
 - Why a range? Depends on Financing Terms
 - Why the difference? Revaluation is showing 30-40% increase in values – used conservative 30% for this example

Effect on \$350,000 Home

Current Tax Rate \$707-\$864

30% increase value (\$455,000) tax rate
\$707 - \$864