

Distinguish, differentiate, compare and explain what is the difference between Tax Levy and Rate. Comparison and Differences.

Difference between Tax Levy and Rate

Tax Levy

Tax Levy is the amount of money collected through taxes. A district can directly control the levy by controlling spending.

Tax Levy is the total amount of money that must be raised in property taxes to fund the school budget after deducting all other forms of revenue. Once the school budget is approved by the voters, revenues such as expected State Aid payments, a contribution of fund balance and other miscellaneous revenues are subtracted from the budget's total expenditures to determine the Tax Levy.

The Tax Levy is divided among the different municipalities based on the percentage of the Full Valuation of Assessed properties in each municipality to the total Full Valuation of properties of the District. District/community can indirectly control the levy by advocating for:

>More State Aid

Gap Elimination Adjustment (GEA) restoration

Mandate Relief

Tax Rate

Tax Rate is how the levy is distributed among the assessed properties in the District. The Tax Rate for each municipality is calculated by dividing the Tax Levy to be raised from each municipality by the total assessed value of the property for that municipality.

More growth = Greater assessed values = Lower Tax Rate.

A district can indirectly influence the assessments in the town by educating the community. They continue this by providing an excellent comprehensive education to the students in the community.