



ELWOOD CCSD 203 *Tax Levy*

I want to take some time this newsletter to talk about the Elwood School Tax Levy. It's a complicated process, and this year, it is even more complicated than usual, so I will try to keep it simple so everyone understands the special circumstances that are in play this year. The **Tax Levy** is where I am given estimates of the total property value in our school district by the county (called **EAV**), and based on that estimate I request an amount of tax money from the county in the form of local property taxes. The tax money we receive is called a Tax Extension. So: ***EAV x Tax Rate = Tax Extension***

The second factor that impacts our Levy is called the Property Tax Extension Limitation Law (**PTELL**).

This law says that in any given year, the tax money given to a school from existing property cannot increase by more than the Consumer Price Index (**CPI**) or 5% - whichever is less. So if the school received a \$1,000,000 Tax Extension, the next year they could receive no more than a \$1,050,000 Tax Extension.

Why this matters this year more than ever: As many of you already know, we have been in litigation with J Power over the property value of their new Combined Cycle Power Plant built in our school district for several years. We have finally reached a settlement with them. This is good news, but it does come with a one-year problem. That problem is that because of that settlement, this year's EAV has a significant drop from last year to this year. That EAV amount has decreased by almost \$188 million dollars from \$547,046,508 in 2023 to \$359,214,545 in 2024. That's a significant drop. All of that is to tell you this: Given that our **EAV** has fallen so dramatically this year, your Property Tax Rate will be going up to a similar rate that it was 2 years ago. If we don't do this, we will be crippling the amount of property tax the school can receive forever. *(Remember, the amount of tax money a school can receive is limited - based on the amount they received in the previous year.)*

Don't worry – the Elwood Board of Education has planned for this. The Board plans on issuing Property Tax Rebates to all Elwood School District homeowners this coming winter. The amount of those rebates remains to be seen, but it will help significantly with the issue.