Tax Rate Calculation Examples

These examples are referenced on the Comptroller's Tax Rate Calculation webpage.

EXAMPLE 1: Calculating the No-New-Revenue Tax Rate

$$\frac{\text{Prior Year's Taxes } less \text{ Taxes on Property Lost this Year}}{\text{Current Value of Property Taxed in the Prior Year}} \times \$100 = \text{No-New-Revenue Tax Rate}$$

EXAMPLE 2: Detailed Steps in Calculating the No-New-Revenue Tax Rate for School Districts

Prior year's taxes (on date of calculation)*
+
Taxes on prior year's values lowered in court decisions or subject to an appeal under Chapter 42
+
Taxes refunded for tax years preceding the prior tax year
−
Taxes on deannexed territory
−
Taxes on property value not taxable in current year because it received an exemption or special appraisal for the first time
=
Adjusted Prior Year's Taxes

Total value on the current year's certified appraisal roll
+
Estimated value that will be placed on property under protest or not included in certification
−
Value of property annexed after Jan. 1 of prior year
−
Value of new improvements built after Jan. 1 of prior year**
−
Value of pollution control property exempted from the first time
=
Adjusted Current Year's Taxable Value

$$\frac{\textbf{Adjusted Prior Year's Taxes}}{\textbf{Adjusted Current Year's Taxable Value}} \times \$100 = \text{Current Year's No-New-Revenue Tax Rate}$$

* *Do not include Tax Code § 25.25(d) corrections for over-appraised errors.*
** *Do not include Tax Increment Financing (TIF) taxes if there is no TIF captured appraised value.*

EXAMPLE 3: Detailed Steps in Calculating the No-New-Revenue Tax Rate for Other Taxing Units

Prior year's taxes (on date of calculation)*
+
Taxes on prior year's values lowered in court decisions or subject to an appeal under Chapter 42
+
Taxes refunded for tax years preceding the prior tax year
−
Taxes on deannexed territory
−
Taxes on property value not taxable in current year because it received an exemption or special appraisal for the first time
−
Taxes paid to a TIF Fund**
=
Adjusted Prior Year's Taxes

Total value on the current year's certified appraisal roll
+
Estimated value that will be placed on property under protest or not included in certification
−
Value of property annexed after Jan. 1 of prior year
−
Value of new improvements built after Jan. 1 of prior year
−
Value of pollution control property exempted from the first time
−
Captured appraised value in a TIF Fund
=
Adjusted Current Year's Taxable Value

$$\frac{\textbf{Adjusted Prior Year's Taxes}}{\textbf{Adjusted Current Year's Taxable Value}} \times \$100 = \text{No-New-Revenue Tax Rate}$$

* *Do not include Tax Code § 25.25(d) corrections for over-appraised errors.*
** *Do not include TIF taxes if there is no TIF captured appraised value.*

EXAMPLE 4: Calculating the M&O Portion of the Voter-Approval Tax Rate for School Districts

School District Maximum Compressed Rate (MCR)
+
The greater of:
(i) Prior Year's M&O Tax Rate — ($1.00 + DTR reduction)
OR
(ii) $0.05 per $100 of total value
=
School District Voter-Approval Tax Rate

EXAMPLE 5: Calculating the M&O Portion of the Voter-Approval Tax Rate for Special Taxing Units

$$\frac{(\text{Adjusted Prior Year's Value} \times \text{Prior Year's M\&O Rate})}{\text{Adjusted Current Year's Taxable Values}} \times \$100 \times 1.08 = \text{M\&O Portion of Voter-Approval Tax Rate}$$

EXAMPLE 6: Calculating the Debt Service Portion of the Voter-Approval Tax Rate

$$\frac{(\text{Current Year's Debt Payments} - \text{Prior Year's Excess Debt Tax Collections})}{\text{Prior Year's Anticipated Collection Rate}} = \text{Adjusted Current Year's Debt}$$

$$\frac{\text{Adjusted Current Year's Debt}}{\text{Current Year's Total Taxable Values}^* - \text{Current Year's Captured Appraised Value in a TIF Fund}} \times \$100 = \text{Current Year's Debt Service Rate}^{**}$$

* *Counties, cities and junior college districts that adopted the tax ceiling provision exclude the total taxable value of the 2019 homesteads with tax ceilings for homeowners age 65 or older or disabled.*

** *If the governing body of the school district governs a junior college district in a county with a population of more than two million, add the amount of taxes the governing body proposes to dedicate to the junior college district in 2020 to the result.*

Example 7: Calculating the Emergency Revenue Rate

$$\frac{\text{Prior Year's Adopted Tax Rate} - \text{Adjusted Voter-Approval Tax Rate}) \times \text{Prior Year's Year's Total Value}}{(\text{Current Year's Total Value - New Property})} = \text{Emergency Revenue Rate}$$

EXAMPLE 8: Calculating the Sales Tax Gain Rate

$$\frac{(\text{Estimated Taxable Sales} \times \text{Additional Sales Tax Rate} \times .95)}{\text{Current Year's Total Taxable Values}} \times \$100 = \text{Current Year's Sales Tax Gain Rate}$$

EXAMPLE 9: Adjusting for Sales Tax

$$\text{No-New-Revenue Tax Rate} - \text{Sales Tax Gain Rate} = \text{Adjusted No-New-Revenue Tax Rate}$$

$$\text{Voter-Approval Tax Rate} - \text{Sales Tax Gain Rate} = \text{Adjusted Voter-Approval Tax Rate}$$

EXAMPLE 10: Calculating Voter-Approval Tax Rate for Second and Later Years

No-New-Revenue M&O Tax Rate (Based on prior year's M&O property taxes and sales tax revenue spent for M&O) $\times\ 1.035\ +$ Current debt service rate $+$ Unused increment rate $-$ Sales tax adjustment rate $=$ Voter-Approval Tax Rate

EXAMPLE 11: Calculating the Sales Tax Adjustment Rate for Second and Later Years

$$\frac{\text{Sales Tax Revenue Last Four Quarters}}{\text{Total Current Year's Taxable Values}} \times \$100 = \text{Current Year's Sales Tax Adjustment Rate}$$

EXAMPLE 12: Adjusting the No-New-Revenue Tax Rate after Abolishing Additional Sales Tax

$$\frac{\text{Adjusted Prior Year's Tax Levy}}{\text{Adjusted Current Year's Taxable Values}} + \text{Sales Tax Loss Rate} \times \$100 = \text{Adjusted No-New-Revenue Tax Rate}$$

EXAMPLE 13: Adjusting Voter-Approval Tax Rate after Abolishing Additional Sales Tax

No-New-Revenue M&O Tax Rate (Based on prior year's sales and property taxes.) $\times\ 1.035\ +$ Debt Service Rate $+$ Unused increment rate $=$ Voter-Approval Tax Rate

EXAMPLE 14: Calculating One-Time Adjustment for Mass Transit Sales Tax

$$\text{No-New-Revenue Tax Rate} - \frac{\text{Mass Transit Expenses}}{\text{Current Year Values}} \times \$100 = \text{Adjusted No-New-Revenue Tax Rate}$$

$$\text{Voter-Approval Tax Rate} - \frac{\text{Mass Transit Expenses}}{\text{Current Year Values}} \times \$100 = \text{Adjusted Voter-Approval Tax Rate}$$