

Types of Tax Rates and Definitions

Compensating:

The rate that when applied to the current year's property assessment, excluding new property, produces an amount of revenue equal to that produced in the preceding year. This rate may be levied without a public hearing and is not subject to the recall provisions of KRS 160.470(8)(a).

Subsection(1):

The Subsection (1) Tax Rate, which refers to subsection (1) of KRS 160.470, is the rate that produces no more revenue than the previous year's maximum rate. This rate is subject to the hearing and recall provisions in KRS 160.470(7)(8).

4%:

This rate produces 4% over the amount of revenue generated by the Compensating Tax Rate. This rate typically requires a public hearing prior to levying.

HB 940/Tier I:

Typically referred to as the HB 940 Tax Rate, this tax rate is dependent on the mix of taxes levied by a district (real estate, personal property, motor vehicle and permissive). This rate results in tax revenue that qualifies districts for maximum Tier I equalization. It is not subject to hearing or recall.

Other:

Some districts adopt rates which do not match the rates calculated by Kentucky Department of Education (KDE). The rates may be subject to public hearing or recall dependent upon the rate levied and the calculated rates provided by the KDE. This rate may be higher or lower than the compensating rate.