

Powell County Schools Tax Rate Recommendation Presentation

2026-2027 School Year

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What is the Compensating Rate?

➤ The compensating rate means a rate that will generate the exact same amount of money as the previous year. The compensating rate for the Powell County School District is:

- General Fund Real Estate: 50.2
- General Fund Personal Property: 50.3

These rates are lower than the 4% rate and lower than our current rates, but they do not produce sufficient revenue for the increases in expenditures OR the decrease in SEEK revenue.

What will each rate generate if all tax revenue is collected?

- If all tax revenue is collected, real and personal property is expected to generate:
\$4,479,521.80
- Of that amount, \$1,323,841.55 is from new and personal property.
- If we took the compensating rate, we would anticipate generating:
\$4,283, 381.84
- The difference in revenue by taking the 4% rate instead of the compensating rate if all taxes are collected is \$196,139.96 more.

The decrease we are expecting from the state SEEK formula this year is: \$271,935

What about motor vehicle tax?

- The motor vehicle rate is 50.2 and does not change.

The Tax Advertisement

- New law requires us to post the proposed rate in the newspaper and on our district webpage and once the rate is adopted we are required to additionally post to our social media. We will be posting the advertisement of the proposed rates to all of these formats.

One section of the required advertisement is a listing of the increase in revenue from the previous year we are expected to generate with our new rate. This will be somewhat confusing in our case. Our collection rate last year was only 77.6%, so the advertisement will show that we are expected to generate \$1,214,704.67 more revenue than last year. That amount is due to our low collection rate, not due to a higher increase in the rate.

Summary of Recommended Rates:

- General Fund Real Estate: 52.5
- General Fund Personal Property : 52.6

These rates are the 4% tax rate plus the 0.3 for exonerations.

Thank You

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