



FY 2020-2021 BERTIE COUNTY REVENUE-NEUTRAL TAX RATE CALCULATION

In a property revaluation year, the North Carolina General Statute 159-11(e) requires local governments to calculate the revenue-neutral property tax rate for comparative purposes.

Steps in Determining the Revenue-Neutral Rate

Step 1: Determine a rate that would produce revenues equal to those produced for the current fiscal year (tax levy).

Step 2: Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.

Step 3: Adjust the rate to account for any annexation, de-annexation, merger, or similar event.

NCGS 159-11(e) - In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no appraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to the improvements since the last general appraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, de-annexation, merger, or similar event.

Step 1: Determine a rate that would produce revenues equal to those produced for the current fiscal year.

FY 2020 Projected Total Valuation before Revaluation	\$1,317,135,942
FY 2020 Tax Rate	\$0.8650
Tax Levy at FY 2019 rate without revaluation = (\$1,317,135,942/100) x 0.865	\$11,393,226
FY 2021 Projected Total Valuation	\$1,382,385,051
Tax Rate That Would Produce Revenue Equal to FY 2020 = \$11,393,226/(\$1,382,385,051/100)	\$0.8242

Step 2: Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general appraisal.

FY	Assessed Value	Percent Change
2013	\$1,217,288,729	
2014	\$1,271,018,233	4.41%
2015	\$1,274,110,118	0.24%
2016	\$1,311,113,199	2.90%
2017	\$1,340,162,306	2.22%
2018	\$1,321,583,373	-1.39%
2019	\$1,321,922,163	0.03%
2020	\$1,317,135,942	-0.36%
Average Growth		1.15%

FY 2021 Revenue Neutral Rate (1.15% Growth Factor Applied) = 0.8242 * 1.0115	\$0.8336
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Step 3: Not Applicable to Bertie County.