Errata: Local Government Revenue Sources in North Carolina

The corrections below apply to the printed version of *Local Government Revenue Sources in North Carolina.*

Page 9

There is a mathematical error in the original table illustrating how to calculate a property tax rate. The following table reflects the proper calculation of a property tax rate.

Calculating the Property Tax Rate

The following describes how a governing board calculates a unit's total property tax rate(s).

- Determine the amount of property tax revenue that the unit must collect to balance its annual budget ordinance, considering estimated expenditures and the amount of money that other revenue sources likely will yield (e.g., $2,000,000).
- Determine the property tax collection percentage of the previous fiscal year (e.g., 96%).
- Divide the estimated total required property tax revenue by the property tax collection percentage for the previous fiscal year. This represents the total required tax levy ($2,000,000 / 0.96 = $2,083,333).
- Divide the resulting figure by the total taxable valuation for the jurisdiction (e.g., taxable valuation = $1,000,000,000; $2,083,333 / $1,000,000,000 = 0.002083).
- Multiply the resulting figure by 100 to get the tax rate (0.002083 * 100 = .2083 cents per $100 valuation).

UNC
SCHOOL OF
GOVERNMENT