



School Tax Rate Illustration

After additional review and clarification from the Municipal Bond Bank we have determined that by Year 2 of the bond the tax rate will increase not more than \$2.77. The tax rate will remain stable for Years 2 through 20, which will be no more than \$2.77.

Current 2020 Allentown Tax Rate as of 12/31/20 Based on Current Assessments

★ Municipal \$9.62

★ County \$2.76

★ State \$2.03

★ School District \$14.89

Total Current 2020 Tax Rate: \$29.30

If the Allentown Community approved the \$13 Million bond for building a new K-8 School the Estimated Tax Rate impact would be:

Impact Using the Highest Conservative Interest Rate of 2.50%, as Determined by the Municipal Bond Bank

★ Tax rate for years 2-20 will be no greater than \$2.77

- The tax rate for Year 1 is estimated to be lower than \$2.77 as the rate will encompass interest only in the first year of the bond.

→ For a home valued \$100,000 the increase in tax rate would be *not more than* \$277 annually

Note: These estimations are strictly based on the “bond.” No other budget impacts are included.

Impact with the Current Market Interest Rate of 1.58%, as Determined by the Municipal Bond Bank

★ Tax rate by years 2-20 will be no greater than \$2.54

- The tax rate for Year 1 is estimated to be lower than \$2.54 as the rate will encompass interest only in the first year of the bond.

→ For a home valued \$100,000 the increase in tax rate would be *not more than* \$254 annually

Note: These estimations are strictly based on the “bond.” No other budget impacts are included

Note: We estimate that the bond interest rate will come in between the current rate of 1.58% and the possible highest interest rate of 2.50%.