Instructions for 2026 Cap Calculation Worksheet
Budget Year 2027

Cap Percentage Allowance

1. Current Year Allowable Percentage Limit 3% (auto populates).
2. **Enter** Excess Percentage from Last Year (line 46 from last year's cap calculation worksheet).
3. Maximum Cap Percentage Allowance Available This Year (auto populates).

Calculation 1: Base Year Levy

4. **Enter** the three previous year's TOTAL dollars levied by the taxing district. Include all dollars levied by your taxing district.
    a. Where can I get previous years' dollars levied?
        i. State Tax Department Property Tax Lookup Tool
        ii. The Certificate of Levy you provided to the county auditor the previous three years
        iii. County Auditor

5-13. **Enter** amount(s) levied under each category that are exempt from the cap including those that are not levied entity wide. (*See Notes 1-8 on page 4).*

14. Difference: Line 4 minus Lines 5-13 (auto populates).
15. Base Year Levy: Highest amount from Line 14 (auto populates).
    **Note: A separate cap calculation worksheet will need to be prepared for each non-entity wide levy.

Calculation 2: Adjusted Year Levy

16. Previous Year Levy: From Line 14 (auto populates).
17. **Enter** Previous Year TAXABLE VALUE (used for previous year maximum levy worksheet) This value includes the TAXABLE VALUE of homestead and veterans credit properties.
    a. Where can I get previous years TAXABLE VALUE?
        i. State Tax Department Property Tax Lookup Tool
        ii. County Tax Director or Auditor
18. Previous Year Mill Rate: Line 16 divided by Line 17 X 1000 (auto populates).
19. **Enter** New Property TAXABLE VALUE *(Change in Value Codes 3 & 4)*
    a. Examples of property added include: new construction and property added by annexation. DO NOT include any change in value caused by reassessment, change in classification, change in value made by any board of equalization.
    b. Use current year new property TAXABLE VALUE.

   c. Where can I get new property TAXABLE VALUE?
      i. County Tax Director (mid to late June)

20. **Enter** Expired TIF Incremental TAXABLE VALUE
    a. Use current year expired TIF incremental TAXABLE VALUE.
    b. Where can I get TIF Incremental TAXABLE VALUE?
       i. County Tax Director (mid to late June)
21. **Enter** Expired Exemption TAXABLE VALUE *(Change in value Code 1)*
    a. Use current year expired exemption TAXABLE VALUE.
    b. Where can I get expired exemption TAXABLE VALUE?
       i. County Tax Director (mid to late June)
22. **Enter** Removed Property TAXABLE VALUE *(Change in Value Codes 1, 3 & 4)*
    a. Examples of reasons why the property no longer exists in the taxing district include the following: destruction of property, demolition, removal of structures or improvements, loss by annexation to another district, wind turbines that convert from a centrally assessed value to assessment as a payment in lieu of property tax. DO NOT include any change in value caused by reassessment, change in classification, change in value made by any board of equalization.
    b. Use current year taxable value for removed property.
    c. Where can I get property removed TAXABLE VALUE?
       i. County Tax Director (mid to late June)
23. Net: Line 19 plus Line 20 plus Line 21 minus Line 22 (auto populates).
24. Allowance for New Growth: Line 23 times Line 18 divided by 1000 (auto populates).
25. **Enter** previous year expired temporary mill levy amount in dollars.
26. Net Adjustments: Line 24 minus Line 25 (auto populates).
27. Adjusted Year Levy: Line 16 plus Line 26 (auto populates).

Calculation 3: Cap Allowance Calculations

Current Year Cap Allowance

28. Greater Base Year Levy Line 15 **OR** Adjusted Year Levy Line 27 (auto populates).
29. Current Year Allowable Cap Percentage Limit 3% (auto populates).
30. Calculated Cap Allowance Amount (Line 28 times Line 29).
31. Maximum taxes allowed current year with 3% cap allowance: Line 28 plus Line 30 (auto populates).

Max Cap Allowance with Unused Excess from Previous Year

32. Greater Base Year Levy Line 15 **OR** Adjusted Year Levy Line 27 (auto populates).
33. Maximum Cap Percentage Allowance from Line 3 (auto populates).
34. Calculated Maximum Cap Allowance Amount: Line 32 times Line 33 (auto populates).

35. Maximum taxes allowed using current year allowable percentage AND unused percentage from previous year(s): Line 32 plus Line 34 (auto populates).

Calculation 4: Excess Percentage Carry Forward for Future Periods

36. **Enter** TOTAL dollars to be levied by taxing district for next year's budget.

37-47. **Enter** amount(s) to be levied under each category that are exempt from the cap. (See Notes 1-8 on page 4.)

48. Dollars Certified by Taxing District Subject to the Cap: Line 36 minus Lines 37-47 (auto populates).

Current Budget Year Excess Cap Percentage to Carry Forward

49. Current Year Unused Cap Amount: Line 31 minus Line 48 (auto populates).
50. Current Year Calculated Percentage for Future Periods (auto populates).
51. Current Year Excess Percentage for Future Periods: no les than 0%, no more than 3%, Can be used in any of the five succeeding years. May be used only once. May not carry forward beyond five taxable years. Oldest unused excess percentage increase must be used first.

Previous Year Excess Cap Percentage to Carry Forward

52. Excess percentage used from previous year carry forward (auto populates).
53. Excess percentage remaining from previous year carry forward (auto populates).
54. Total Excess Percentage to Carry Forward: Line 51 plus Line 53 (auto populates).

NOTES: Levies Exempt from the Cap Calculation

Note 1: New or increased property tax levy authority that becomes available to the taxing district in the current taxable year resulting from 1) A change in state law; 2) Approval by the electors of the taxing district.

Note 2: Property tax levy authority increased above zero mills in the current taxable year by the governing board or the taxing district, provided the levy authority was not previously used (previous year).

Note 3: Any irrepeable tax to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota.

Note 4: Taxes or special assessments levied to pay the principal and interest on any obligations of any political subdivision, including taxes levied for deficiencies in special assessment and improvement district funds and revenue bond and reserve funds.

Note 5: Taxes levied to pay bonds, evidences of indebtedness, or obligations of any political subdivision, including taxes levied to pay evidences of indebtedness under chapter 57-47 issued by the Bank of North Dakota from the infrastructure revolving loan fund.

Note 6: Taxes levied pursuant to law for the proportion of the cost to any taxing district for a special improvement project by general taxation.

Note 7: Taxes levied under sections 40-24-10 (City Special Improvements), 40-43-01 (City Judgments), 57-15-28 (County Emergency Levy), 57-15-41 (Special Assessments on School Property), and 57-15-48 (City Emergency Levy) and chapter 61-16.1 (Water Resource Districts).

Note 8: Taxes levied by a school district under subsection 5 of section 57-15-14.2 (Tuition Levy).

DEFINITIONS

“**Adjusted year levy**"" means amount of property tax levied in dollars by the taxing district in the preceeding taxable year adjusted as follows:

(1) When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year, excluding the mill rate associated with:

(a) Any irrepealable tax levied to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota.

(b) A tax levied for the one - mill levy for the state medical center authorized by Section 10 of article X of the Constitution of North Dakota.

(2) When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased to reflect the taxes that would have been imposed against the portion of the taxable valuation of the property which is no longer exempt at the mill

rate applied to all property in the preceding taxable year, excluding the mill rate associated with:(a) Any irrepealable tax levied to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota.

(b) A tax levied for the one - mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.

(3) When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be reduced by the amount of taxes that were imposed against the taxable valuation of that property in the preceding taxable year.

(4) When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the preceding taxable year but is no longer applicable or has been reduced, the amount levied in dollars in the preceding taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied."

"Base Year Levy" means the highest amount of property tax levied in dollars by a taxing district in the three taxable years immediately preceding the current taxable year.

"Allowable percentage increase" means three percent.

“Excess percentage increase"" means the difference, rounded to the nearest hundredth of a percent, between:

(1) The allowable percentage limit; and

(2) The difference between the actual amount of property tax levied in dollars and the greater of the base year levy or the adjusted year levy with the resulting difference under this paragraph divided by the greater of the base year levy or adjusted year levy."

“Proposed percentage increase” means the difference, rounded to the nearest hundredth of a percent, between:

(1) The difference between the amount of property tax in dollars proposed to be levied by the governing board of the taxing district and the greater of the base year levy or the adjusted year levy with the resulting difference under this paragraph divided by the greater of the base year levy or adjusted year levy; and

(2) The allowable percentage limit."

"Taxing district" means any political subdivision empowered to levy taxes.