

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Aitkin School District No. 1

Analysis of Tax Impact for Possible New Debt Options

August 2016 Election

January 15, 2016

	Option A	Option B	Option C	Option D	Option E	Option F
Bond Issue Amount	\$10,000,000	\$20,000,000	\$30,000,000	\$40,000,000	\$50,000,000	\$70,000,000
Number of Years	20	20	20	20	20	20
Estimated Debt Service Tax Capacity Rate Payable 2017 With Proposed Bond Issue	4.62%	9.45%	14.16%	18.90%	23.57%	33.05%

Type of Property	Estimated Market Value	Estimated Tax Increase *					
		Option A	Option B	Option C	Option D	Option E	Option F
Residential Homestead	\$50,000	\$14	\$28	\$42	\$57	\$71	\$99
	100,000	33	68	102	136	169	237
	125,000	46	94	140	187	233	327
	150,000	58	119	179	239	298	417
	200,000	84	171	256	342	426	597
	250,000	109	222	333	445	555	778
	300,000	134	274	410	548	683	958
	400,000	184	377	565	754	940	1,318
Commercial/Industrial	500,000	231	473	708	945	1,179	1,653
	\$50,000	\$35	\$71	\$106	\$142	\$177	\$248
	100,000	69	142	212	284	354	496
	250,000	196	402	602	803	1,002	1,405
	500,000	427	874	1,310	1,748	2,180	3,057
Agricultural Homestead **	750,000	658	1,347	2,018	2,693	3,359	4,710
	1,000,000	889	1,819	2,726	3,638	4,537	6,362
	\$200,000	\$56	\$115	\$172	\$230	\$287	\$402
	300,000	79	162	243	325	405	568
	400,000	102	210	314	419	523	733
Agricultural Non-Homestead (dollars per acre)	500,000	126	257	385	514	641	898
	750,000	183	375	562	750	935	1,311
	1,000,000	241	493	739	986	1,230	1,724
	\$2,000	\$0.92	\$1.89	\$2.83	\$3.78	\$4.71	\$6.61
Seasonal Recreational	3,000	1.39	2.84	4.25	5.67	7.07	9.92
	4,000	1.85	3.78	5.66	7.56	9.43	13.22
	5,000	2.31	4.73	7.08	9.45	11.79	16.53
	6,000	2.77	5.67	8.50	11.34	14.14	19.83
Seasonal Recreational	\$100,000	\$46	\$95	\$142	\$189	\$236	\$331
	150,000	69	142	212	284	354	496
	200,000	92	189	283	378	471	661
	250,000	116	236	354	473	589	826
Seasonal Recreational	500,000	231	473	708	945	1,179	1,653

* The figures in the table are based on school district taxes for bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of Minnesota Homestead Credit Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for many property owners.

** For agricultural homestead property, a value of \$100,000 was assumed for the house, garage and one acre.