



**Reserve for Uncollected Tax:**

The tax collector is required to first pay the school district, county, and library their share of the property-tax levy. The residual amount supports the municipal budget. According to law, if there is a shortfall in tax collections it is borne by the municipality.

When the municipality develops its budget, it must include an appropriation line item entitled "**Reserve for Uncollected Taxes**" in case tax collections are not 100%. The percentage is based on actual collections from the prior year. For example, if the municipality collected 96% of the property-tax levy, it must appropriate an extra amount equal to 4% of the total tax levy to be used to offset the likely tax loss. If the municipality collects more than 96%, it accrues to surplus. If less is collected the municipality would need to reduce spending or borrow the lost amount unless other surplus funds were available.

The FY2021 Appropriation of \$730,000. With the FY2020 ending with a collection rate of 99.59% this exceeds the State's minimum requirement outlined on AFS Sheet 25.

Description	2016	2017	2018	2019	2020	***** 2021 *****	
Budget Account Number	Approp Actual	Approp Actual	Approp Actual	Approp Actual	Approp Actual	Requested	Admin. Recmnd
Department: 1-01-50-899-000-000	RESERVE FOR UNCOLLECTED TAXES						
<b>RESERVE FOR UNCOLLECTED TAXES</b>							
1-01-50-899-000-000							
<b>RUT - OTHER EXPENSE</b>							
1-01-50-899-000-100							
<b>RUT - Other Expenses</b>							
1-01-50-899-000-192	646,349.00	662,310.00	677,969.00	700,000.00	720,000.00	730,000.00	730,000.00
	646,349.00	662,310.00	677,969.00	700,000.00	720,000.00		