

Other Local Taxes for Education

Local school districts are partially funded through local taxes—most often taxes imposed and collected by the school district itself, but sometimes county or municipal taxes as well. While the most common type of tax collected locally is a property tax, in some states, districts and localities are also authorized to impose and collect income, sales, or other taxes for education. This report indicates which types of local taxes are imposed and collected for public schools in each state.

Alabama	School districts in Alabama may receive local revenue from property taxes and from other taxes. These include county and municipal franchise, excise, and license taxes designated for education and county and municipal sales and use taxes that are not specified for education. School districts in Alabama do not directly impose taxes. Counties and municipalities may impose a local property tax as well as a franchise, excise, and license tax for education. Both counties and municipalities may impose sales and use taxes, though they are not legally specified for education. Moreover, counties and municipalities may impose taxes on malted beverages, a set portion of which will be used for education.
Alaska	School districts in Alaska may receive local revenue from property taxes and from sales, use, and excise taxes. School districts in Alaska cannot directly levy taxes of any kind. Cities and boroughs impose local property taxes and sales and use taxes. Cities and boroughs may also impose excise taxes, such as severance taxes on natural resource extraction. It is not possible to distinguish local funding for schools from other local revenue.
Arizona	School districts in Arizona receive local revenue only from property taxes.

Arkansas	School districts in Arkansas may receive local revenue from school district property taxes, county and municipal sales and use taxes dedicated for education, and several federal sources. Though school districts cannot directly levy sales and use taxes, counties and municipalities in Arkansas may levy sales and use taxes for capital improvements. These revenues may be dedicated to public education. School districts may also receive revenues from federal lands, state severance taxes, and payments in lieu of taxes (PILOTs). The funds that school districts receive from county and municipal sales and use taxes are included as part of the district's expected local contribution for the purposes of determining the state aid allocation. Revenues from state severance taxes; PILOTs; and federal sources including forest reserves, mineral rights, impact aid, and others are also included as part of a district's expected local contribution.
California	School districts in California may receive local revenue only from property taxes. Counties may impose a property tax base on property value while school districts may levy property taxes on parcels of property. Counties in California tax property at a fixed rate of 1% of assessed valuation. School districts may not directly levy property taxes based on property value; instead, they may levy parcel taxes, which are fees set at a fixed amount per parcel of property. These taxes may be levied with the approval of two-thirds of voters in a referendum.
Colorado	School districts in Colorado may receive local revenue from property taxes, taxes on motor vehicle ownership, and revenues in the form of gifts or grants, including revenues raised by local municipalities and gifted to the school district. School districts in Colorado may impose only property taxes. However, counties collect taxes on the ownership of motor vehicles and distribute the revenue to local governments, including school districts. Each school district receives a portion of this revenue, in a proportion matching the share of total county property tax revenues collected in that school district. Some vehicle taxes are considered to be part of the district's local contribution for the purposes of the education funding formula. Additionally, school boards are empowered to accept funding in the form of gifts and donations; in the past, these have included funds raised by local municipalities through other taxes and transferred to the school district as gift funding.
Connecticut	School districts in Connecticut may receive local revenue from property taxes and from motor vehicle taxes. School districts in Connecticut may not directly impose taxes; rather, they rely on municipalities to raise revenue. Municipalities may levy property taxes and motor vehicle taxes to fund a variety of local services, including public education.
Delaware	School districts in Delaware receive local revenue only from property taxes.

District of Columbia	The District of Columbia comprises a single taxing jurisdiction. District of Columbia Public Schools (DCPS) cannot independently levy any taxes, including property taxes. Education revenue is collected by the District of Columbia and appropriated to school districts including DCPS and public charter school districts for distribution to individual schools.
Florida	School districts in Florida may receive local revenue from property taxes and from sales surtaxes. In addition to property taxes, school districts and counties in Florida may impose sales surtaxes for school infrastructure expenses. School boards in Florida may levy a sales surtax of up to 0.5% with voter approval. Revenue from the surtax is designated for the costs of building or improving school facilities, buying or improving land for school purposes, or installing technology at school sites. In addition, the governing authority in each county may levy an additional sales surtax of 0.5% or 1%, with voter approval, for school infrastructure expenses. The county surtax may not be levied for more than 15 years at a time.
Georgia	School districts in Georgia may receive local revenue from property taxes and from local sales taxes. In addition to property taxes, school districts in Georgia may levy an optional local sales tax to fund capital improvement projects, with voter approval. The Education Special Purpose Local Option Sales Tax (E-SPLOST) is an optional 1% local sales tax to fund capital improvement projects or to retire debt related to capital projects. The tax must be reauthorized every five years by local boards of education and approved by voters in a referendum. In counties where there are any city school districts in addition to the county school district, revenue from E-SPLOST is distributed between the county and city school districts on the basis of enrollment or as otherwise authorized by local law. In addition, 10 school districts in Georgia are permitted to collect local sales taxes for operations by specific amendments to the state constitution.
Hawaii	Hawaii operates as a single, statewide school district. The school district may not impose taxes; schools are funded from state revenue.
Idaho	School districts in Idaho receive local revenue only from property taxes.
Illinois	School districts in Illinois may receive local revenue from school district property taxes and from county sales taxes. Though school districts in Illinois may impose only local property taxes, counties may impose a tax on retailers and service providers as a percentage of sales receipts for school facilities expenses or to provide for school resource officers or mental health professionals. In order to impose this tax, the county must have the support of the school boards representing more than half the students in the county and the approval of voters in a referendum. Counties may impose a rate of up to 1% to raise revenue for school facilities expenses. The tax may be imposed only in multiples of 0.25%. The revenue raised by the sales tax is distributed to school districts within the county based on a district's enrollment as compared with the total number of resident students in the county as a whole.

Indiana	School districts in Indiana may receive local revenue from school district property taxes, county income taxes, financial institution taxes, and motor vehicle license excise taxes. Though school districts cannot directly impose local income taxes, motor vehicle license excise taxes, commercial vehicle excise taxes, and financial institutions taxes, counties may collect the revenue and dedicate it to public education. Special laws permit Dearborn and Lake counties to levy uniform taxes on a countywide basis and redistribute the funds to school districts within the county.
Iowa	School districts in Iowa may receive local revenue from property taxes and from income surtaxes. School districts may choose to fund educational improvement programs and instructional support programs through a combination of property tax and income surtax. With voter approval, districts may also fund capital projects through a combination of a property tax of up to $1.64 per $1,000 of assessed value and an income surtax. Districts also receive some revenue from tuition and transportation payments, school fees, and donations.
Kansas	School districts in Kansas may receive local revenue from property taxes, motor vehicle taxes, and city or county sales taxes. In addition to property taxes, school districts in Kansas receive revenue from county motor vehicles taxes. Cities and counties in Kansas may impose local sales taxes and have the authority to use revenues from these taxes to support schools or school districts, provided the relevant governing body determines that doing so is in the economic development interests of the city or county.
Kentucky	School districts in Kentucky may receive local revenue from property taxes, income surtaxes, and a gross receipts tax on utilities. In addition to property taxes, school districts may impose two surtaxes on income: an occupational license tax on earnings from most professions and a tax on residents' income, not to exceed 20% of state income tax liability. School districts may also impose a tax on gross receipts from the provision of utility services and/or cable services at a rate of up to 3%.
Louisiana	School districts in Louisiana may receive local revenue from property taxes and sales taxes. In addition to property taxes, local school districts in Louisiana may levy sales taxes with voter approval. The combined sales taxes imposed within any local governmental subdivision must not exceed 3%, excluding state sales taxes. However, with the approval of a majority of voters, the legislature may approve an exemption to allow a greater rate.
Maine	School districts in Maine receive local revenue only from property taxes.

Maryland	School districts in Maryland may receive local revenue from property taxes and income surtaxes. School districts in Maryland may not directly impose taxes. Local jurisdictions, including counties and the city of Baltimore, may impose property taxes and income surtaxes, a portion of which is directed to schools. Local jurisdictions may impose an income tax of at least 2% but no more than 3.2%.
Massachusetts	School districts in Massachusetts may receive local revenue from property taxes, motor vehicle excise taxes, excise taxes on other goods, utility taxes, and permit and license fees. School districts in Massachusetts may not directly impose taxes. Municipalities impose property taxes as well as motor vehicle excise taxes; optional excise taxes on goods such hotel rooms, restaurant meals, and cannabis; utility fees; and permit and license fees. A portion of the proceeds from these municipal taxes and fees is directed to schools.
Michigan	School districts in Michigan receive local revenue only from property taxes.
Minnesota	School districts in Minnesota receive local revenue from property taxes and from certain county taxes and fees. School districts in Minnesota may impose only property taxes. However, counties are required to allocate a share of funds from fees and fines collected by the county, such as power line taxes and alcohol licenses, for various purposes, including school funding. Each school district's allocation is determined in proportion to its share of total property values in the county.
Mississippi	School districts in Mississippi receive local revenue only from property taxes.
Missouri	School districts in Missouri may receive local revenue from property taxes, a local income tax, and a variety of other sources of local income, including a tax on assets of financial institutions and a surtax on commercial real estate. School districts in Missouri may impose only local property taxes. However, revenue from several sources collected at other levels is distributed to school districts and makes up part of the total local share. These sources include a local earnings and income taxes, a tax on intangible assets of financial institutions, a surtax on commercial real estate (to replace revenue lost from the elimination of a merchants and manufacturing tax), and some penalties and fines. These additional sources of local revenue are included as part of a district's expected local contribution for the purposes of determining the state aid allocation.

Montana	School districts in Montana may receive local revenue from property taxes; from taxes on coal, oil, and gas; and from other sources of local revenue. School districts in Montana may impose only property taxes. However, school districts receive local revenue from a variety of other sources. County treasurers in Montana collect the coal gross proceeds tax and distribute it to school districts and other local taxing districts based on the value of the coal produced there. Oil and natural gas taxes are collected and distributed in a similar manner. School districts also receive some revenue from the rental of buildings and equipment and from summer school.
Nebraska	School districts in Nebraska receive local revenue from property taxes and motor vehicle taxes. School districts also receive a small amount of revenue from other local sources, including fines, fees, and interest. Counties collect a motor vehicle tax and distribute the revenue to local governments, including school districts. Of the proceeds from the motor vehicle tax, 60% are distributed to the district where the vehicle is registered. In addition, the state income tax base of the school district makes up part of the total local share (see "Expected Local Share").
Nevada	School districts in Nevada may receive local revenue only from property taxes, except for certain revenues designated for capital projects or debt service and interest income from invested education property tax revenues. School districts may levy additional property taxes to generate revenue for capital projects (see "Property Tax Floors and Ceilings"). School districts may also retain revenue from a government services tax on motor vehicles and taxes and royalties paid by energy extractive operations for capital projects and debt service. School districts in Nevada also receive revenue from local property taxes, a sales and use tax for education, franchise taxes on utility and railway companies, revenues from taxes on hotel rooms and other transient lodgings, and revenue from civil forfeitures by metropolitan police. However, these revenues are transferred to the State Education Fund and distributed to districts through the funding formula.
New Hampshire	School districts in New Hampshire receive local revenue only from property taxes.
New Jersey	School districts in New Jersey receive local revenue only from property taxes.
New Mexico	School districts in New Mexico may receive local revenue from property taxes and from revenue from federal forest reserve lands. School districts in New Mexico may impose only property taxes. However, they receive a portion of revenue from timber sales and other receipts on federal forest reserve lands.

New York	School districts in New York may receive local revenue from property taxes, consumer utility taxes, service charges and fees, and sales taxes imposed by other local taxing authorities. City school districts with fewer than 125,000 residents may levy a consumer utility tax of up to 3%. In 2020, 26 districts did so. School districts may not impose sales taxes, but some counties share their tax sales revenue with schools. Counties and municipalities may impose sales taxes in excess of the 4% sales tax imposed by the state, and five counties share their sales tax revenue with school districts. Finally, the city school districts for the state's five largest cities are wholly dependent on their municipalities for funding, and these municipalities may levy sales taxes, income taxes, business and financial taxes, and taxes on commercial rent.
North Carolina	School districts in North Carolina may receive local revenue from property taxes, sales and use taxes, and utility taxes. School districts in North Carolina do not directly impose taxes, with a few exceptions. School districts typically draw their local funding from county appropriations, which may be raised through county property, sales, and utility taxes. A portion of county sales and use taxes may be designated for public school capital projects. Though school districts in North Carolina do not typically directly impose taxes, they have the authority to impose a supplemental property tax with voter approval. In addition, the state authorized a number of counties to impose special taxing districts to support education, and two school districts impose property taxes under legislation specific to those districts. Districts that impose property taxes are eligible to receive a share of revenue from sales taxes imposed by the county.
North Dakota	School districts in North Dakota receive local revenue only from property taxes and from specified payments received in lieu of property taxes.
Ohio	School districts in Ohio may receive local revenue from property taxes, income taxes, sales taxes, and a tax on casino revenues. In addition to property taxes, school districts in Ohio may impose income taxes and a countywide joint sales tax. School districts may impose an income tax in increments of 0.25%. As of April 2020, approximately 203 districts levied an income tax of between 0.25% and 2%. In addition, school districts may impose a joint sales tax with other districts in the county for permanent improvement. However, only one county has done so. School districts also receive funding from a tax on casino revenues; 34% of the revenue from this tax is distributed to counties, which is then distributed to schools based on student count.

Oklahoma	School districts in Oklahoma may receive local revenue from school district property taxes and from local sales taxes imposed by counties or municipalities. School districts in Oklahoma may impose only property taxes. However, counties and municipalities in Oklahoma may levy sales and use taxes with the approval of voters in the relevant jurisdiction. These local sales taxes must be designated for a particular purpose and may be designated for public schools. For instance, between 2002 and 2008, Oklahoma City imposed a 1% sales tax that was divided between the Oklahoma City School District and the area's suburban schools. School districts also receive funding from some state revenue sources, which are distributed to counties and school districts. These include motor vehicle collections, gross production collections, Rural Electric Association Cooperative taxes, and earnings on state school lands. Revenue is distributed to school districts based on student count or on where the revenue was generated, or both.
Oregon	School districts in Oregon receive local revenue only from property taxes and revenues related to property, such as moneys received in lieu of property taxes and revenue from federal and state lands.
Pennsylvania	School districts in Pennsylvania receive revenue from a variety of local taxes, including property taxes and income taxes. In addition to property taxes, school districts in Pennsylvania may impose an earned income tax on the income and profits of residents within the district. School districts may also impose a variety of other taxes, including a real estate transfer tax, a flat tax on each adult resident, and taxes on the gross receipts of some businesses.
Rhode Island	School districts in Rhode Island receive local revenue only from property taxes.
South Carolina	School districts in South Carolina may receive revenue from local property taxes and, in some counties, from sales and use taxes. School districts in certain counties are authorized by specific legislation to impose a sales and use tax across the county. This tax is generally imposed to pay debt services on bonds or to fund capital improvements. Counties that meet certain requirements in terms of their existing sales tax burden may impose a further 1% sales and use tax for capital improvements, with voter approval in a countywide referendum.
South Dakota	School districts in South Dakota receive revenue from local property taxes, a tax on utilities, a bank franchise tax, a wind farm tax, and other sources of local revenue. Prior to FY2016, school districts were able to keep revenue from the six additional revenue sources outside of the general education state aid formula. Between FY2017 and FY2022, revenue from the six additional revenue sources will be phased in as part of districts' expected local contributions and will therefore reduce districts' state aid amounts. These include a tax on utilities, a bank franchise tax, a wind farm tax, local revenue in lieu of taxes, county revenue in lieu of taxes, and revenue from traffic fines (see "Expected Local Share" for a description of this policy).

Tennessee	School districts in Tennessee receive revenue from local property taxes, sales taxes, and other local taxes. Very few school districts directly impose local property taxes. School districts receive revenue from property taxes imposed by counties and municipalities and may also receive a portion of other taxes imposed by counties or municipalities, including sales taxes; taxes on electricity, gases, and other fuels; and motor vehicle taxes. Both counties and municipalities in Tennessee may impose an optional local sales tax as long as the combination of the county and municipality rates do not exceed 2.75%. If a municipality within a county that imposes a local sales tax also imposes a local sales tax, it may impose only the difference between the county tax rate and 2.75%. Local sales taxes must be approved by voters in the relevant jurisdiction. Half of the revenue from local sales taxes is designated for schools. Revenue from a county sales tax is distributed to the school districts within the county in proportion with the student count of each district. Unlike Tennessee's state sales tax, the local sales tax is applied only to the first $1,600 of any purchase. Counties may also levy taxes on the sale, purchase, or use of electricity, natural or artificial gases, or other heating fuels. These taxes are fixed at a rate of 0.5%. Counties in Tennessee may also impose other local taxes that can be used to support education, including motor vehicle taxes, called "wheel taxes."
Texas	School districts in Texas receive local revenue only from property taxes.
Utah	School districts in Utah receive local revenue from property taxes and from various motor vehicle fees. In addition to property taxes, school districts in Utah receive revenue from motor vehicle fees. Various categories of motor vehicles are exempt from conventional property taxes and are instead subject to different fees. Motor vehicles weighing 12,000 pounds or less, as well as vehicles including all-terrain vehicles, campers and certain trailers, certain motorcycles, personal watercraft, snowmobiles, and motor homes, are subject to fees that vary depending on the age of the vehicle. Vehicles that must be registered with the state, including certain motorcycles, some watercraft, certain recreational vehicles, and motor vehicles weighing over 12,000 pounds, are subject to fees equal to 1.5% of the fair market value of the vehicle. The proceeds from all of these fees are distributed to local tax areas, including school districts.
Vermont	School districts in Vermont do not receive local revenue. School districts in Vermont do not have the authority to directly levy any kind of tax. However, residents of each town vote on a per-pupil spending level, which affects the property tax rate and income tax rate imposed by the state on that town's taxpayers. Vermont's statewide education tax takes the form of a property tax, or an income tax, depending on household income. Households making less than $90,000 per year pay the statewide education tax in the form of an income tax, rather than as a property tax. All other households pay a property tax partly determined by local referenda (see "Property Tax Floors and Ceilings").

Virginia	School districts in Virginia may receive local revenue from property taxes and from sales and use taxes for education. School districts in Virginia may not impose any type of taxes, including property taxes. Other local government entities, including counties, cities, and towns, may impose taxes for education. In addition to local property taxes, the governing body of any city or county may vote to levy a local sales and use tax of up to 1%. In counties with town school districts, a proportion of the revenue from this tax will be paid to the town school district equal to the proportion of students in the town as compared to the county as a whole.
Washington	School districts in Washington may receive local revenue from property taxes and from a county timber excise tax. School districts in Washington may levy only property taxes. However, local taxing districts, including school districts, receive revenue from a 4% tax imposed on the value of timber harvested from state, federal, or privately owned land.
West Virginia	School districts in West Virginia receive local revenue only from property taxes.
Wisconsin	School districts in Wisconsin receive local revenue only from property taxes.
Wyoming	School districts in Wyoming receive local revenue only from property taxes.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

