

Tax Increment Financing Model

New Development or Private Investment
(adding new valuation)

% Valuation Captured in TIF District
(excluded from state valuation)

% Valuation Not Captured in TIF District
(included in State Valuation)

Revenues to TIF Development Fund
(captured value X tax rate)

Revenues to General Fund
(non-captured valuation X tax rate)

Loss of \$ from
State Valuation
Increase Avoided

% of Development Fund for Approved Town
Activities (examples):

- infrastructure improvements within district
- infrastructure improvements outside of district
- economic development organization costs
- economic development marketing & planning

% of Development Fund for Approved
Private Developer Costs (examples):

- land & building improvements
- tax incentives

\$ Loss through
State Valuation Increase:

- state education aid
- state revenue sharing
- county tax increase

Net Revenues Available
To General Fund