DLS

DIVISION OF LOCAL SERVICES

MA DEPARTMENT OF REVENUE

Supporting a Commonwealth of Communities

Completing the Tax Rate Recap Form DE-1

Deborah Wagner, Director of Accounts

September 9, 2026

Agenda

- What is a Debt Exclusion?
- How are the ballot vote results entered into Gateway?
- How are the fields of the form DE-1 completed?
- What are some scenarios you might encounter completing the DE-1 and how are they handled?

Proposition 2 ½ Debt Exclusion

Proposition 2½ limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations. This amount is known as the annual levy limit. However, the law allows a city or town to increase tax revenues above that limit with approval of voters at an election. It also requires a city or town to reduce its levy limit as specified by the voters.

- Override – Operational
- Underride – Reduces the levy limit
- Debt Exclusion- "Bonds or Notes Issued"
- Capital Expenditure Exclusion – One-time capital purchase paid for in one year

Proposition 2 ½ Debt Exclusion (cont'd)

Debt Exclusions

If a capital project is being funded by debt, approval of a debt exclusion permits the community to raise the amount of the annual debt service payment for that project each year until the debt is retired. A debt exclusion may be presented to the voters to exclude the debt service on the community's borrowings, or the community's share of the debt service on a borrowing of a regional governmental unit of which it is a member. G.L. c. 59, § 21C(k). See Section IV-A-2 below.

Debt exclusion questions may be presented to and approved by the voters before or after the related debt is authorized or issued. An exclusion approved after repayment of the debt had begun applies prospectively, *i.e.*, to the remaining debt service payments owed on the obligation. A separate question may be presented for each borrowing or multiple borrowings may be included within a single question.

- **Tax Rate - Finance**
  - A-1 Offset Receipts
  - A-2 Enterprise Funds
  - A-4 CPF
  - B-1 Free Cash
  - B-2 Other Funds
  - OL-1 Overlay
  - DE-1
  - Tax Title
  - Levy Limit
  - LA-5 Options & Certification
  - Letter in Lieu of Balance Sheet
  - Tax Rate Recap
  - Tax Rate Page 3 Support
  - Tax Rate Checklist
  - Pro Forma Recap
  - Pro Forma Page 3 Support
  - **Votes - Debt Exclusion**
  - Votes - Override
  - Votes - Underride
  - Votes - Capital Exclusion
  - Votes - Stabilization Fund
- **Tax Rate - Reports**
  - LA-4 Comparison
  - LA-13 Statistics
  - Recap Edit Report
  - TR Approvals/Non-Approvals
  - New Growth/LA4 Status
  - Shifting the Tax Rate
  - BLA - Chap 3
  - Tax Rate Submission Summary
  - Options Table
  - BLA/BOA Assignments
- **Tax Rate - DLS Only**
  - DE-1 - Votes Mapping
  - Tax Rate Overrides
  - New Growth Adjustment
  - Push Cherry Sheet to Recap
  - Notifications

Status	Del	Vote Taken Date	Win/Loss	Yes Count	No Count	Purpose of Vote	Department Name	Applicable FY
Attached		09/01/1982	WIN	1614	1091	SEWERS	PUBLIC WORKS AND FACILITIES	1990
Attached		12/01/1986	WIN	661	612	GOLF	CULTURE AND RECREATION	1990
Attached		06/01/1988	WIN	1799	943	SEWERS	PUBLIC WORKS AND FACILITIES	2000
Attached		11/04/1995	WIN	2115	825	extension of sewer system	PUBLIC WORKS AND FACILITIES	1997
Attached		11/04/1995	WIN	2188	784	constr.and furnishings of new library	CULTURE AND RECREATION	2000
Attached		07/29/1997	WIN	819	342	ext. sewer system - phase III	PUBLIC WORKS AND FACILITIES	2001
Attached		05/09/1998	WIN	1269	658	land known as griffins dairy	GENERAL GOVERNMENT	2000
Attached		06/12/1999	WIN	583	128	RUN EXTENSION TO SEWER SYSTEM	PUBLIC WORKS AND FACILITIES	2005
		06/23/2001	WIN	210	117	CONSTRUCT SIDEWALK, THE DESIGN WHICH HAS	PUBLIC WORKS AND FACILITIES	2003
Attached		06/23/2001	WIN	202	124	CONSTRUCT SIDEWALK ON WASHINGTON STREET	PUBLIC WORKS AND FACILITIES	2003
		05/03/2004	WIN	273	267	RECONSTRUCTION AND REPAIR OF TOWN ROADS	PUBLIC WORKS AND FACILITIES	2005
		06/12/2004	LOSS	685	1482	COMPLETE THE PROPOSED CAPITAL SCHOOL IMP	SCHOOL	2005
		06/12/2004	LOSS	856	1327	COMPLETE PROPOSED SENIOR CENTER	CULTURE AND RECREATION	2005
Attached		04/23/2005	WIN	976	969	NEW POLICE STATION	PUBLIC SAFETY	2007
		05/17/2005	WIN	304	187	PURCHASE/LEASE OF THE TANKER TRUCK FOR VC	PUBLIC SAFETY	2007
		05/17/2005	WIN	290	200	PURCHASE NEWS TRUCK/SANDER FOR HIGHWAY	PUBLIC WORKS AND FACILITIES	2007
		12/02/2006	WIN	829	418	FINANCE CONSTRUCTION, AND EQUIPPING THE P	CULTURE AND RECREATION	2007
		12/02/2006	WIN	894	352	COMPLETE REPLACEMENT OF WINDOWS AT EARL'	SCHOOL	2007
		11/10/2007	WIN	830	157	Doors and Windows at high school	SCHOOL	2008
		11/10/2007	WIN	857	135	Senior Center Purchase	CULTURE AND RECREATION	2008
Attached		04/24/2010	WIN	1383	1015	finance const. and recons.-repair to early childhood	CULTURE AND RECREATION	2011
Attached		04/30/2011	WIN	954	593	fund Woodsdale School Green Repair Project - winc	SCHOOL	2012
Attached		04/28/2012	WIN	1214	857	Feasibility Study Frolio Middle School	SCHOOL	2014
Attached		10/18/2014	WIN	2820	595	Construct a new co-located Middle School and High	SCHOOL	2016
		10/21/2023	WIN	582	378	Construct and equip new Fire Station and DPW	PUBLIC SAFETY	2025

- Tax Rate Tab, Votes-Debt Exclusion Form
- City/Town holds an election with a debt exclusion question on the ballot.
- City/Town clerk must enter the debt exclusion election results on this form – WINS and LOSSES.
  - ➢ Specimen Ballot
  - ➢ Certified Results
  - ➢ TM/Council debt authorization vote

Form DE-1

DLS – BOA must attach the vote here.
This cannot be done by the City/Town.

Status	Delete	(A) Ballot Vote Date	(B) Purpose(s) of Exclusion Vote	(C) Date of original issuance note/bond per purpose(s)	(D) Temp or Perm (T/P)	(E) FY 2025 Net Excluded Debt Service	(F) FY 2025 Gross Debt Service Expended	(G) FY 2026 Gross Debt Service Excludable	(H) Reimbursement adjustments (Whole numbers only)	(I) FY 2026 Net Excluded Debt Service
Attached	☐	10/18/2014	New Middle/High School	04/16/2015	P	2,878,575	2,878,575	2,797,375	0	**2,797,375**
Attached	☐	04/09/2005	Police Station Construction	06/15/2007	P	315,050	315,050	301,350	0	**301,350**
Attached	☐	11/10/2007	Senior Center Purchase	06/01/2008	P	95,200	95,200	92,650	0	**92,650**
Attached	☐	11/10/2007	High School Windows & Doors	06/01/2008	P	106,400	106,400	103,550	0	**103,550**
					Total:	**3,395,225**	**3,395,225**	**3,294,925**	**0**	**3,294,925**

Current Documents

Name	Action
No documents to display.	

Signatures

Financial Officer

Completed by the Treasurer or Accountant but really should be a collaborative effort.

I. TO CALCULATE THE FY 2025 LEVY LIMIT

A. FY 2024 Levy Limit	38,385,871		
A1. Amended FY 2024 Growth	0		
B. ADD (IA + IA1)*2.5%	959,647		
C. ADD FY 2025 New Growth	185,450		
C1. ADD FY2025 New Growth Adjustment	0		
D. ADD FY 2025 Override	0		
E. FY 2025 Subtotal	39,530,968		
F. FY 2025 Levy Ceiling	82,132,763	I.	39,530,968
			FY 2025 Levy Limit

II. TO CALCULATE THE FY 2026 LEVY LIMIT

A. FY 2025 Levy Limit from I.	39,530,968		
A1. Amended FY 2025 Growth	0		
B. ADD (IIA + IIA1)*2.5%	988,274		
C. ADD FY 2026 New Growth	440,856		
C1. ADD FY 2026 New Growth Adjustment	0		
D. ADD FY 2026 Override	0		
E. ADD FY 2026 Subtotal	40,960,098		
F. FY 2026 Levy Ceiling	86,354,738	II.	40,960,098
			FY 2026 Levy Limit

III. TO CALCULATE THE FY 2026 MAXIMUM ALLOWABLE LEVY

A. FY 2026 Levy Limit from II.		40,960,098
B. FY 2026 Debt Exclusion(s)		3,294,925
C. FY 2026 Capital Expenditure Exclusion(s)		0
D. FY 2026 Stabilization Fund Override		0
E. FY 2026 Other Adjustment		0
F. FY 2026 Water/Sewer		0
G. FY 2026 Maximum Allowable Levy	$	44,255,023

Current Documents

Name	Action
No documents to display.	

Signatures

Board of Assessors

Levy Limit Form:

- The Form DE-1 populates Part III, Line III. B.
- Do not submit this form until the Form DE-1 is completed and submitted.
- If the Levy Limit form is in Form Submit status prior to the Form DE-1 being submitted, the Levy Limit Form will not allow the Form DE-1 total to properly populate Part III, Line III. B.

Form DE-1

This field auto-populates from column (I) from the prior year's DE-1.

You enter the amount actually expended for the debt service.

You enter the amount due this year for debt service.

You enter amounts from any source other than taxation (R&A) that is being used to fund the debt service.

Status	Delete	(A) Ballot Vote Date	(B) Purpose(s) of Exclusion Vote	(C) Date of original issuance note/bond per purpose(s)	(D) Temp or Perm (T/P)	(E) FY 2025 Net Excluded Debt Service	(F) FY 2025 Gross Debt Service Expended	(G) FY 2026 Gross Debt Service Excludable	(H) Reimbursement adjustments (Whole numbers only)	(I) FY 2026 Net Excluded Debt Service
Attached	☐	10/18/2014	New Middle/High School	04/16/2015	P	2,878,575	2,878,575	2,797,375	0	**2,797,375**
Attached	☐	04/09/2005	Police Station Construction	06/15/2007	P	315,050	315,050	301,350	0	**301,350**
Attached	☐	11/10/2007	Senior Center Purchase	06/01/2008	P	95,200	95,200	92,650	0	**92,650**
Attached	☐	11/10/2007	High School Windows & Doors	06/01/2008	P	106,400	106,400	103,550	0	**103,550**
					Total:	**3,395,225**	**3,395,225**	**3,294,925**	**0**	**3,294,925**

This description should match the ballot description.

This refers to whether the debt issued is BANS (T) or Bonds (P). When the debt changes from BANS to Bonds, you should change the T to a P.

Current Documents

Name	Action
No documents to display.	

Signatures

Financial Officer

This must agree to the date at the top of the ballot.

This would be the date debt of any kind was issued for the project.

This field auto calculates and the total populates the Debt Exclusion line on the levy limit form. Only once this form is completed and submitted should you submit the levy limit form (Tell your assessor friends!)

DLS enters this.

Form DE-1, Column (H)

(H)
Reimbursement adjustments (Whole numbers only)

<u>What kinds of things can go in Column (H):</u>

- Premiums on debt issued (IGR 2022-1)
- Previously, under the old MSBA reimbursement method (ended FY2024), MSBA reimbursements
- MLP funds given to the town to pay the debt (broadband)

➢ The total in Column (I) should equate what is actually being funded by taxation.

➢ Whatever you put in Column (H), you must upload support for on the DE-1 form.

DE-1: Column (E) > Column (F)

Status	Delete	(A) Ballot Vote Date	(B) Purpose(s) of Exclusion Vote	(C) Date of original issuance note/bond per purpose(s)	(D) Temp or Perm (T/P)	(E) FY 2025 Net Excluded Debt Service	(F) FY 2025 Gross Debt Service Expended	(G) FY 2026 Gross Debt Service Excludable	(H) Reimbursement adjustments (Whole numbers only)	(I) FY 2026 Net Excluded Debt Service
Attached	☐	12/08/1998	JR HIGH	12/08/1998	P	309,534	309,534	0	0	**0**
Attached	☐	12/01/2005	SR HIGH	12/01/2005	P	1,123,664	1,123,664	0	0	**0**
Attached	☐	12/17/2019	New Twin School	03/03/2020	P	2,861,309	2,861,309	2,844,300	0	**2,844,300**
Attached	☐	12/17/2019	North Acton Fire Station Constr & Desi	05/26/2020	P	456,975	456,975	455,225	0	**455,225**
Attached	☐	12/17/2019	Minuteman RSD buidling	09/20/2016	T	659,689	659,266	651,582	423	**651,159**
Attached	☐	12/17/2019	New Twin School BAN	07/25/2024	T	165,671	165,671	178,012	0	**178,012**
Attached	☐	12/17/2019	Twin School 10 Year	07/02/2025	P	0	0	72,451	0	**72,451**
					Total:	**5,576,842**	**5,576,419**	**4,201,570**	**423**	**4,201,147**

If the amount of debt service excluded from taxation in the prior year, column (E), is greater than the amount of debt service actual expended in the prior year, column (F), then that difference must go in the reimbursements and adjustments column, column (H), reserved on the balance sheet for that fiscal year, and added as an estimated revenue in column (b) on recap page 3, line 23, Miscellaneous Non-recurring.

PAGE 1 | PAGE 2 | PAGE 3 | PAGE 4

*Local Receipts Not Allocated

		Receipt Type Description	(a) Actual Receipts Fiscal 2025	(b) Estimated Receipts Fiscal 2026	Percentage Change
==>	1.	MOTOR VEHICLE EXCISE	4,132,227.41	3,849,577.00	-6.84
	2.	OTHER EXCISE			
==>		a.Meals	412,915.07	400,000.00	-3.13
==>		b.Room	23,562.14	20,000.00	-15.12
==>		c.Other	0.00	0.00	0.00
==>		d.Cannabis	0.00	0.00	0.00
==>	3.	PENALTIES AND INTEREST ON TAXES AND EXCISES	381,460.03	350,000.00	-8.25
	4.	PAYMENTS IN LIEU OF TAXES			
==>		a.Solar Payment in Lieu of Taxes	0.00	0.00	0.00
==>		b.All Other Payment in Lieu of Taxes	15,949.08	15,000.00	-5.95
	5.	CHARGES FOR SERVICES - WATER	0.00	0.00	0.00
	6.	CHARGES FOR SERVICES - SEWER	0.00	0.00	0.00
	7.	CHARGES FOR SERVICES - HOSPITAL	0.00	0.00	0.00
	8.	CHARGES FOR SERVICES - SOLID WASTE FEES	0.00	0.00	0.00
	9.	OTHER CHARGES FOR SERVICES	242,704.54	240,000.00	-1.11
	10.	FEES			
		a.Cannabis Impact Fee	0.00	0.00	0.00
		b.Community Impact Fee Short Term Rentals	0.00	0.00	0.00
		c.Other Fees	67,445.18	60,000.00	-11.04
	11.	RENTALS	0.00	0.00	0.00
	12.	DEPARTMENTAL REVENUE - SCHOOLS	0.00	0.00	0.00
	13.	DEPARTMENTAL REVENUE - LIBRARIES	0.00	0.00	0.00
	14.	DEPARTMENTAL REVENUE - CEMETERIES	69,337.36	65,000.00	-6.26
	15.	DEPARTMENTAL REVENUE - RECREATION	0.00	0.00	0.00
	16.	OTHER DEPARTMENTAL REVENUE	0.00	0.00	0.00
	17.	LICENSES AND PERMITS			
		a.Building Permits	1,161,005.76	950,000.00	-18.17
		b.Other licenses and permits	159,312.64	150,000.00	-5.85
	18.	SPECIAL ASSESSMENTS	0.00	0.00	0.00
==>	19.	FINES AND FORFEITS	60,025.15	50,000.00	-16.70
==>	20.	INVESTMENT INCOME	786,310.23	350,000.00	-55.49
==>	21.	MEDICAID REIMBURSEMENT	0.00	0.00	0.00
==>	22.	MISCELLANEOUS RECURRING	0.00	0.00	0.00
	23.	MISCELLANEOUS NON-RECURRING	219,681.54	423.00	-99.81
	24.	TOTALS	7,731,936.13	6,500,000.00	-15.93

Over-Exclusion:

The amount of the over-exclusion from DE-1 column (H) goes as an estimated revenue in column (b) on tax rate recap page 3, line 23, Miscellaneous Non-Recurring.

Under-Exclusion:

The scenario rarely happens. If the amount of debt excluded on the DE-1 column (E) is less than the amount expended in the prior year in column (F), because the town made an error in the amount of the appropriation, and this results in an appropriation deficit that needs to be raised on recap page 2, the difference can be added to column (H) of the DE-1. This amount should have a minus sign in front of it so that it ADDS to the amount on DE-1 column (I). This will allow you to exclude the amount being raised on recap page 2.

DE-1: Column (H) if you fund the excluded debt with something other than taxation

Status	Delete	(A) Ballot Vote Date	(B) Purpose(s) of Exclusion Vote	(C) Date of original issuance note/bond per purpose(s)	(D) Temp or Perm (T/P)	(E) FY 2026 Net Excluded Debt Service	(F) FY 2026 Gross Debt Service Expended	(G) FY 2027 Gross Debt Service Excludable	(H) Reimbursement adjustments (Whole numbers only)	(I) FY 2027 Net Excluded Debt Service
Attached	☐	03/18/2000	BECKET SCHOOL	10/10/2003	P	0	0	0	0	**0**
Attached	☐	06/13/2020	WAHCONAH BUILDING PROJECT	06/13/2020	T	191,818	0	185,716	0	**185,716**
Attached	☐	05/16/2015	BROADBAND	08/25/2021	T	223,413	0	250,000	250,000	**0**
					Total:	**415,231**	**0**	**435,716**	**250,000**	**185,716**

Current Documents - upload new documents

Name	Action
No documents to display.	

Signatures

Financial Officer

This community is receiving $250,000 of funds from the MLP to offset the effect of the MLP debt on the tax levy. They raised and appropriated (funded from taxation) the whole $250,000 to fund the FY2027 debt service. The $250,000 goes in column (H), the letter from the MLP is uploaded to the DE-1, and the $250,000 goes on recap page 3 as an estimated revenue source which will reduce the tax levy.

Summary

- An election must be held to vote to exclude the debt service for a project from the limits of Proposition 2 ½.
- The town meeting vote and the ballot for the election will refer to “bonds or notes issued” in the wording, indicating this is a debt exclusion.
- Check with the clerk to be sure that debt exclusion ballot vote results are entered in Gateway immediately after the election.
- The effects of over-exclusions, under-exclusions, and funding sources to offset the effect of the debt service on taxation must be reflected on the DE-1 in Column (H) “Reimbursements and Adjustments”.
- If you have questions regarding your specific scenario, please contact your BOA field representative.

Questions?

Deborah Wagner,

Director of Accounts

wagnerd@dor.state.ma.us

Bureau of Accounts Field Representative
Municipal Assignments

https://www.mass.gov/info-details/dls-boa-city-town-assignments