How does Tax Increment Financing Work?

A TIF is **not** a new tax! A TIF only changes who captures tax revenues.

1 The **Base Value** of the TIF district is calculated at date of creation.

2 Taxing authorities continue to receive the **Base Value**.

3 **Incremental Growth** in taxes is captured by the TIF and must be invested in the district.

4 Taxing authorities receive the current tax value upon termination of the TIF.