

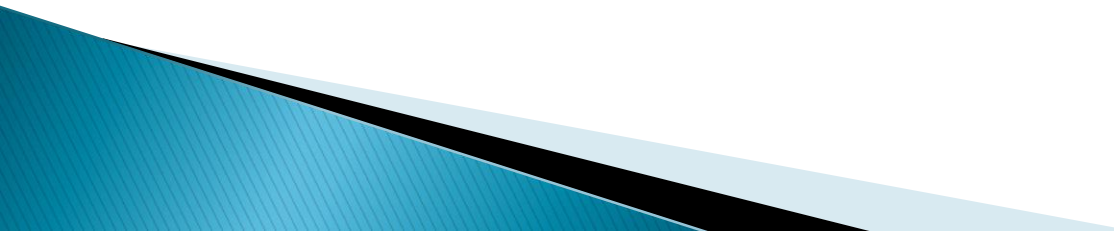
Tazewell County Presentation

Illinois County School Facility Tax
Public Act 97-0542

Required Language on the Ballot

Shall a retailer's occupation tax and a service occupation tax (commonly referred to as a "Sales Tax") be imposed in Tazewell County at a rate of 1% to be used exclusively for school facility purposes?

Illinois County School Facility Tax

- ▶ Law went into effect 2007
 - ▶ Allows county voters to approve a sales tax to fund school facility costs
 - ▶ 1% maximum
 - ▶ Has passed in 51 Illinois counties to date
 - ▶ Woodford, Peoria, Fulton, Mason, Logan to name a few
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Low Impact on Business and Fixed Income Persons

▶ Sales Tax Base:

- Everything in the municipal and county sales tax base is included **except for**:
 - Cars, Trucks, ATVs
 - Boats & RVs
 - Unprepared Food (grocery)
 - Medications (including over the counter)
 - Farm Equipment and Parts
 - Farm Inputs

“If it is not currently taxed, it will not be taxed”

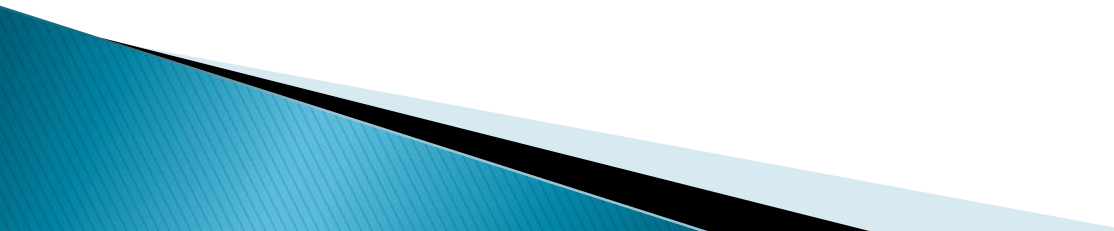
Sales Tax Revenue Uses:

Can Use Funds For	Cannot Be Used For
New Construction Additions/Renovations	Instructional Costs Text Books
Security, Disabled Access, Safety Ongoing Maintenance	Buses Detached Furniture & Fixtures
Architectural Planning Equipment (stationary)	Computers Moveable Equipment
Fire Prevention & Life Safety Land Acquisition	Operating Costs Salaries and Overhead
Energy Efficiency Parking Lots & Lighting	
Roof Repairs Demolition	
<u>Refund Property Taxes Levied for Existing Capital Bonds</u>	

Flow of the Funds:

- ▶ If passed at November election, it is possible for districts/county to complete the paperwork in time to begin the tax collection July 1st 2019.
- ▶ The “Illinois Dept. of Revenue” would receive all sales tax dollars like usual.
- ▶ By Oct. the Dept. of Revenue should start transferring the revenue from the 1% school tax to the regional office of education.
- ▶ The ROE would disseminate the funds to the Tazewell Co. districts monthly on a per pupil basis.
- ▶ Districts can budget to spend the new revenue in their FY20 Budgets.

1% Tax can Reduce Property Taxes

- ▶ **The new funds can reduce the current property tax rates** by the district using the sales tax funds to pay off existing building bonds and not levying for the payment.
 - ▶ **The district can also avoid having to raise property taxes to fund future projects**, by using the sales tax revenue to fund their projects going forward.
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Specific Revenue Generated

- ▶ Based on 2017 county sales tax figures
 - A(1%) school facility tax would generate \$13,741,161 in Tazewell County
 - Funds are distributed to districts based on the number of Tazewell County students they have in their district. (\$656 per student)
 - District 50, \$502,738; District 51, 889,308
 - Rankin \$150,000; Pekin 108 \$2,375,864
 - Dee-Mack \$660,582; Tremont \$656,316
 - Morton \$2,033,267; Pekin 303 \$1,202,371

Potential Property Tax Rate Relief

- ▶ District #50 (up to \$0.43 rate reduction or \$161.74 based on a \$100,000 Home)
- ▶ District #51 (up to \$0.33 rate reduction or \$90.61 based on a \$100,000 Home)
- ▶ Tremont #702 (up to \$0.55 rate reduction or \$149.05 based on a \$100,000 Home)
- ▶ Delavan #703 (up to \$0.54 rate reduction or \$146.80 based on a \$100,000 Home)
- ▶ Dee-Mack #701 (up to \$0.56 rate reduction or \$151.98 based on a \$100,000 Home)

Local Sales Tax Rates:

City	Sales Tax Rate
Pekin	9.0%
Morton	7.00%
Washington	8.50%
East Peoria/Levy District	8.50%–9.50%
Peoria/Bus. Districts	9.00%–10.00%
Bloominton	8.75%
Normal	8.75%

Summary

- ▶ This is a new revenue source for schools
 - ▶ It will allow schools to maintain and improve their facilities for their students and the public without raising property taxes.
 - ▶ All people passing through our communities will be helping to pay for the betterment of our schools from now on.
 - ▶ Even with the 1% increase our sales tax rates will still be in line with other communities in IL.
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