

## Effect of Revenue Changes Enacted 2012-2017 on Centerville

*The estimates shown are based on the Fiscal Review Committee's actual fiscal notes for the bills passed into law, and allocated proportionally based on the 2016 certified populations or 2014-2016 average Hall Income Tax proportions. These estimates do not assume any growth in the tax base; therefore, any reduction prior to 2017 may currently be higher or lower depending on the actual growth.*

### Changes Prior to IMPROVE Act

#### Reductions in Sales Tax on Food Rate

Sales Tax on Food rate was reduced two times between 2012 and 2016. The 2012 reduction resulted in a reduction in state shared sales revenues to Centerville of \$( 593). In 2013, the rate reduction on food reduced state shared sales revenues to Centerville of \$( 812).

#### Increase in Hall Income Tax Exemptions

Hall exemptions were increased three times between 2012 and 2016. The 2012 increase from 16k/27k to 26k/37k reduced Centerville Hall revenues by \$( 132). The 2013 increase to 33k/59k reduced Centerville revenues by an additional \$( 171). The final increase in exemption to 37k/68k in 2015 further reduced Centerville revenues by \$( 111).

#### Reduction in Hall Income Tax Rate

The 2016 reduction in the Hall Tax rate from 6% to 5% reduced Hall revenues to Centerville by \$(3,277).

### IMPROVE Act Changes

#### Gasoline & Diesel Fuel Tax Revenues

Improve Act will increase gasoline & diesel shared revenues to Centerville by estimated \$21,193 in the first year. When fully phased in, Improve Act will have increased gas/diesel to Centerville by projected total of \$35,555.

#### Reduction in Sales Tax on Food Rate

Enacted reduction in the state sales tax rate on food will result in an estimated reduction of \$(5,794) in state shared taxes to Centerville.

#### Phased Elimination of Hall Income Tax

Enacted Hall phase-out will reduce Hall revenues to Centerville by an estimated \$(3,909) in first year, \$(11,726) in first three years of phase-out and a total projected reduction of \$(19,543) when Hall is eliminated.

## IMPROVE Act, as Modified by Chairman Doss' Proposal

- Proposed 95-5 reallocation of the gas/diesel tax will reallocate the current fuel tax collections so that 95% of the collections assigned to cities will be distributed on a per capita basis, while 5% will be allocated so that each city receives an equal amount. This change will result in a \$13,132 difference to Centerville.
- Proposed increase in the “sharing percentage” of State Shared Sales Tax to cities from 3.6 to 4% will provide an estimated increase of \$37,533 in state shared sales tax revenue to Centerville.
- The interaction of Chairman Doss' Proposal and the enacted Improve Act will result in an estimated net impact of \$55,787 in funds flowing to Centerville as compared to an estimated net impact of \$10,218, if the Doss Proposal is not enacted.

## Impact of Revenue Changes Enacted 2012-2017 and Impact as Modified by Doss Proposal on Centerville

### PRIOR CHANGES (2012-2016)

#### General Fund (Discretionary)

2012 Food Tax.....	\$( 593)
2013 Food Tax.....	( 812)
2012 Hall Income Exemption (26k/37k) .....	( 132)
2013 Hall Income Exemption (33k/59k) .....	( 171)
2015 Hall Income Exemption (37k/68k) .....	( 111)
2016 Hall Income Rate Cut (6% to 5%) .....	<u>(3,277)</u>

**Total Prior Changes (2012-2016).....** **\$(5,096)**

### IMPROVE ACT CHANGES

#### State Street Aid Fund (Roads)

Gasoline Tax Increase in Year 3 .....	\$26,139
<u>Diesel Tax Increase in Year 3.....</u>	<u>9,416</u>
Subtotal.....	\$35,555

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction .....	\$(5,794)
<u>Hall Income Tax Full Elimination.....</u>	<u>(19,543)</u>
Subtotal.....	<u>(25,338)</u>

**Total IMPROVE Act Changes.....** **\$10,218**

**Total All Changes 2012-IMPROVE .....** **\$5,122**

### DOSS MODIFICATIONS TO IMPROVE ACT

#### State Street Aid Fund (Roads)

95-5 Sharing Gasoline Tax Impact.....	\$36,852
<u>95-5 Sharing Diesel Tax Impact.....</u>	<u>11,836</u>
Subtotal.....	\$48,688

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction Doss Change .....	\$0
Increase State Sharing of State Shared Sales Tax .....	37,533
<u>Hall Income Tax Full Elimination Doss Change .....</u>	<u>0</u>
Subtotal.....	\$37,533

**Total All Changes 2012-IMPROVE and Doss.....** **\$55,787**

## Comparison of Net Changes of 2012-2016, IMPROVE, and Doss Proposal

Centerville	IMPROVE Act	Doss Proposal	Difference
<b>Street Aid Fund</b>			
Gasoline tax increase .....	26,139	36,852	10,713
Diesel tax increase .....	9,416	11,836	2,420
<b>General Fund</b>			
2012 to 2016 tax changes.....	(5,096)	(5,096)	0
2017 Sales Tax on Food .....	(5,794)	(5,794)	0
Hall Income phase-out.....	(19,543)	(19,543)	0
Increase state shared sales % .....	0	37,533	37,533
<b>Total Impact .....</b>	<b>5,122</b>	<b>55,787</b>	<b>50,666</b>