

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

*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 Jamestown of \$( 319). In 2013, the rate reduction on food reduced state shared sales revenues to Jamestown of \$( 437).

#### 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 Jamestown Hall revenues by \$( 118). The 2013 increase to 33k/59k reduced Jamestown revenues by an additional \$( 153). The final increase in exemption to 37k/68k in 2015 further reduced Jamestown revenues by \$( 99).

#### Reduction in Hall Income Tax Rate

The 2016 reduction in the Hall Tax rate from 6% to 5% reduced Hall revenues to Jamestown by \$(2,933).

### IMPROVE Act Changes

#### Gasoline & Diesel Fuel Tax Revenues

Improve Act will increase gasoline & diesel shared revenues to Jamestown by estimated \$11,393 in the first year. When fully phased in, Improve Act will have increased gas/diesel to Jamestown by projected total of \$19,114.

#### Reduction in Sales Tax on Food Rate

Enacted reduction in the state sales tax rate on food will result in an estimated reduction of \$(3,115) in state shared taxes to Jamestown.

#### Phased Elimination of Hall Income Tax

Enacted Hall phase-out will reduce Hall revenues to Jamestown by an estimated \$(3,499) in first year, \$(10,496) in first three years of phase-out and a total projected reduction of \$(17,493) 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 \$16,343 difference to Jamestown.
- Proposed increase in the “sharing percentage” of State Shared Sales Tax to cities from 3.6 to 4% will provide an estimated increase of \$20,178 in state shared sales tax revenue to Jamestown.
- The interaction of Chairman Doss' Proposal and the enacted Improve Act will result in an estimated net impact of \$30,967 in funds flowing to Jamestown as compared to an estimated net impact of \$(1,494), if the Doss Proposal is not enacted.

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

### PRIOR CHANGES (2012-2016)

#### General Fund (Discretionary)

2012 Food Tax.....	\$( 319)
2013 Food Tax.....	( 437)
2012 Hall Income Exemption (26k/37k) .....	( 118)
2013 Hall Income Exemption (33k/59k) .....	( 153)
2015 Hall Income Exemption (37k/68k) .....	( 99)
2016 Hall Income Rate Cut (6% to 5%) .....	(2,933)

**Total Prior Changes (2012-2016).....** \$(4,059)

### IMPROVE ACT CHANGES

#### State Street Aid Fund (Roads)

Gasoline Tax Increase in Year 3 .....	\$14,052
<u>Diesel Tax Increase in Year 3.....</u>	<u>5,062</u>
Subtotal.....	\$19,114

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction .....	\$(3,115)
<u>Hall Income Tax Full Elimination.....</u>	<u>(17,493)</u>
Subtotal.....	(20,608)

**Total IMPROVE Act Changes.....** \$(1,494)

**Total All Changes 2012-IMPROVE .....** **\$(5,553)**

### DOSS MODIFICATIONS TO IMPROVE ACT

#### State Street Aid Fund (Roads)

95-5 Sharing Gasoline Tax Impact.....	\$27,384
<u>95-5 Sharing Diesel Tax Impact.....</u>	<u>8,074</u>
Subtotal.....	\$35,457

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction Doss Change .....	\$0
Increase State Sharing of State Shared Sales Tax .....	20,178
<u>Hall Income Tax Full Elimination Doss Change .....</u>	<u>0</u>
Subtotal.....	\$20,178

**Total All Changes 2012-IMPROVE and Doss.....** **\$30,967**

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

Jamestown	IMPROVE Act	Doss Proposal	Difference
<b>Street Aid Fund</b>			
Gasoline tax increase .....	14,052	27,384	13,331
Diesel tax increase .....	5,062	8,074	3,011
<b>General Fund</b>			
2012 to 2016 tax changes.....	(4,059)	(4,059)	0
2017 Sales Tax on Food .....	(3,115)	(3,115)	0
Hall Income phase-out.....	(17,493)	(17,493)	0
Increase state shared sales % .....	0	20,178	20,178
<b>Total Impact .....</b>	<b>(5,553)</b>	<b>30,967</b>	<b>36,520</b>