

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

*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 Jasper of \$( 541). In 2013, the rate reduction on food reduced state shared sales revenues to Jasper of \$( 741).

#### 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 Jasper Hall revenues by \$( 105). The 2013 increase to 33k/59k reduced Jasper revenues by an additional \$( 137). The final increase in exemption to 37k/68k in 2015 further reduced Jasper revenues by \$( 89).

#### Reduction in Hall Income Tax Rate

The 2016 reduction in the Hall Tax rate from 6% to 5% reduced Hall revenues to Jasper by \$(2,628).

### IMPROVE Act Changes

#### Gasoline & Diesel Fuel Tax Revenues

Improve Act will increase gasoline & diesel shared revenues to Jasper by estimated \$19,326 in the first year. When fully phased in, Improve Act will have increased gas/diesel to Jasper by projected total of \$32,423.

#### Reduction in Sales Tax on Food Rate

Enacted reduction in the state sales tax rate on food will result in an estimated reduction of \$(5,284) in state shared taxes to Jasper.

#### Phased Elimination of Hall Income Tax

Enacted Hall phase-out will reduce Hall revenues to Jasper by an estimated \$(3,134) in first year, \$(9,401) in first three years of phase-out and a total projected reduction of \$(15,669) 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 \$13,744 difference to Jasper.
- Proposed increase in the “sharing percentage” of State Shared Sales Tax to cities from 3.6 to 4% will provide an estimated increase of \$34,227 in state shared sales tax revenue to Jasper.
- The interaction of Chairman Doss' Proposal and the enacted Improve Act will result in an estimated net impact of \$55,201 in funds flowing to Jasper as compared to an estimated net impact of \$11,470, if the Doss Proposal is not enacted.

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

### PRIOR CHANGES (2012-2016)

#### General Fund (Discretionary)

2012 Food Tax.....	\$( 541)
2013 Food Tax.....	( 741)
2012 Hall Income Exemption (26k/37k) .....	( 105)
2013 Hall Income Exemption (33k/59k) .....	( 137)
2015 Hall Income Exemption (37k/68k) .....	( 89)
2016 Hall Income Rate Cut (6% to 5%) .....	<u>(2,628)</u>

**Total Prior Changes (2012-2016).....** **\$(4,241)**

### IMPROVE ACT CHANGES

#### State Street Aid Fund (Roads)

Gasoline Tax Increase in Year 3 .....	\$23,836
<u>Diesel Tax Increase in Year 3.....</u>	<u>8,587</u>
Subtotal.....	\$32,423

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction .....	\$(5,284)
<u>Hall Income Tax Full Elimination.....</u>	<u>(15,669)</u>
Subtotal.....	<u>(20,953)</u>

**Total IMPROVE Act Changes.....** **\$11,470**

**Total All Changes 2012-IMPROVE .....** **\$7,230**

### DOSS MODIFICATIONS TO IMPROVE ACT

#### State Street Aid Fund (Roads)

95-5 Sharing Gasoline Tax Impact.....	\$35,048
<u>95-5 Sharing Diesel Tax Impact.....</u>	<u>11,119</u>
Subtotal.....	\$46,167

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction Doss Change .....	\$0
Increase State Sharing of State Shared Sales Tax .....	34,227
<u>Hall Income Tax Full Elimination Doss Change .....</u>	<u>0</u>
Subtotal.....	\$34,227

**Total All Changes 2012-IMPROVE and Doss.....** **\$55,201**

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

Jasper	IMPROVE Act	Doss Proposal	Difference
<b>Street Aid Fund</b>			
Gasoline tax increase .....	23,836	35,048	11,211
Diesel tax increase .....	8,587	11,119	2,533
<b>General Fund</b>			
2012 to 2016 tax changes.....	(4,241)	(4,241)	0
2017 Sales Tax on Food .....	(5,284)	(5,284)	0
Hall Income phase-out.....	(15,669)	(15,669)	0
Increase state shared sales % .....	0	34,227	34,227
<b>Total Impact .....</b>	<b><u>7,230</u></b>	<b><u>55,201</u></b>	<b><u>47,971</u></b>