

## Effect of Revenue Changes Enacted 2012-2017 on White Bluff

*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 White Bluff of \$( 522). In 2013, the rate reduction on food reduced state shared sales revenues to White Bluff of \$( 715).

#### 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 White Bluff Hall revenues by \$( 61). The 2013 increase to 33k/59k reduced White Bluff revenues by an additional \$( 79). The final increase in exemption to 37k/68k in 2015 further reduced White Bluff revenues by \$( 51).

#### Reduction in Hall Income Tax Rate

The 2016 reduction in the Hall Tax rate from 6% to 5% reduced Hall revenues to White Bluff by \$(1,515).

### IMPROVE Act Changes

#### Gasoline & Diesel Fuel Tax Revenues

Improve Act will increase gasoline & diesel shared revenues to White Bluff by estimated \$18,645 in the first year. When fully phased in, Improve Act will have increased gas/diesel to White Bluff by projected total of \$31,282.

#### Reduction in Sales Tax on Food Rate

Enacted reduction in the state sales tax rate on food will result in an estimated reduction of \$(5,098) in state shared taxes to White Bluff.

#### Phased Elimination of Hall Income Tax

Enacted Hall phase-out will reduce Hall revenues to White Bluff by an estimated \$(1,807) in first year, \$(5,420) in first three years of phase-out and a total projected reduction of \$(9,033) 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 \$13,967 difference to White Bluff.
- Proposed increase in the “sharing percentage” of State Shared Sales Tax to cities from 3.6 to 4% will provide an estimated increase of \$33,022 in state shared sales tax revenue to White Bluff.
- The interaction of Chairman Doss' Proposal and the enacted Improve Act will result in an estimated net impact of \$61,197 in funds flowing to White Bluff as compared to an estimated net impact of \$17,150, if the Doss Proposal is not enacted.

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

### PRIOR CHANGES (2012-2016)

#### General Fund (Discretionary)

2012 Food Tax.....	\$( 522)
2013 Food Tax.....	( 715)
2012 Hall Income Exemption (26k/37k) .....	( 61)
2013 Hall Income Exemption (33k/59k) .....	( 79)
2015 Hall Income Exemption (37k/68k) .....	( 51)
2016 Hall Income Rate Cut (6% to 5%) .....	<u>(1,515)</u>

**Total Prior Changes (2012-2016).....** **\$(2,942)**

### IMPROVE ACT CHANGES

#### State Street Aid Fund (Roads)

Gasoline Tax Increase in Year 3 .....	\$22,997
<u>Diesel Tax Increase in Year 3.....</u>	<u>8,285</u>
Subtotal.....	\$31,282

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction .....	\$(5,098)
<u>Hall Income Tax Full Elimination.....</u>	<u>(9,033)</u>
Subtotal.....	<u>(14,131)</u>

**Total IMPROVE Act Changes.....** **\$17,150**

**Total All Changes 2012-IMPROVE .....** **\$14,208**

### DOSS MODIFICATIONS TO IMPROVE ACT

#### State Street Aid Fund (Roads)

95-5 Sharing Gasoline Tax Impact.....	\$34,390
<u>95-5 Sharing Diesel Tax Impact.....</u>	<u>10,858</u>
Subtotal.....	\$45,249

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction Doss Change .....	\$0
Increase State Sharing of State Shared Sales Tax .....	33,022
<u>Hall Income Tax Full Elimination Doss Change .....</u>	<u>0</u>
Subtotal.....	\$33,022

**Total All Changes 2012-IMPROVE and Doss.....** **\$61,197**

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

White Bluff	IMPROVE Act	Doss Proposal	Difference
<b>Street Aid Fund</b>			
Gasoline tax increase .....	22,997	34,390	11,393
Diesel tax increase .....	8,285	10,858	2,574
<b>General Fund</b>			
2012 to 2016 tax changes.....	(2,942)	(2,942)	0
2017 Sales Tax on Food .....	(5,098)	(5,098)	0
Hall Income phase-out.....	(9,033)	(9,033)	0
Increase state shared sales % .....	0	33,022	33,022
<b>Total Impact .....</b>	<b>14,208</b>	<b>61,197</b>	<b>46,989</b>