

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

*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 House of \$(1,669). In 2013, the rate reduction on food reduced state shared sales revenues to White House of \$(2,286).

#### 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 House Hall revenues by \$( 230). The 2013 increase to 33k/59k reduced White House revenues by an additional \$( 299). The final increase in exemption to 37k/68k in 2015 further reduced White House revenues by \$( 194).

#### Reduction in Hall Income Tax Rate

The 2016 reduction in the Hall Tax rate from 6% to 5% reduced Hall revenues to White House by \$(5,729).

### IMPROVE Act Changes

#### Gasoline & Diesel Fuel Tax Revenues

Improve Act will increase gasoline & diesel shared revenues to White House by estimated \$59,640 in the first year. When fully phased in, Improve Act will have increased gas/diesel to White House by projected total of \$100,061.

#### Reduction in Sales Tax on Food Rate

Enacted reduction in the state sales tax rate on food will result in an estimated reduction of \$(16,307) in state shared taxes to White House.

#### Phased Elimination of Hall Income Tax

Enacted Hall phase-out will reduce Hall revenues to White House by an estimated \$(6,833) in first year, \$(20,498) in first three years of phase-out and a total projected reduction of \$(34,163) 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 \$ 537 difference to White House.
- Proposed increase in the “sharing percentage” of State Shared Sales Tax to cities from 3.6 to 4% will provide an estimated increase of \$105,626 in state shared sales tax revenue to White House.
- The interaction of Chairman Doss' Proposal and the enacted Improve Act will result in an estimated net impact of \$145,347 in funds flowing to White House as compared to an estimated net impact of \$49,591, if the Doss Proposal is not enacted.

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

### PRIOR CHANGES (2012-2016)

#### General Fund (Discretionary)

2012 Food Tax.....	\$(1,669)
2013 Food Tax.....	(2,286)
2012 Hall Income Exemption (26k/37k) .....	( 230)
2013 Hall Income Exemption (33k/59k) .....	( 299)
2015 Hall Income Exemption (37k/68k) .....	( 194)
2016 Hall Income Rate Cut (6% to 5%) .....	<u>(5,729)</u>

**Total Prior Changes (2012-2016).....** \$(10,407)

### IMPROVE ACT CHANGES

#### State Street Aid Fund (Roads)

Gasoline Tax Increase in Year 3 .....	\$73,561
<u>Diesel Tax Increase in Year 3.....</u>	<u>26,500</u>
Subtotal.....	\$100,061

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction .....	\$(16,307)
<u>Hall Income Tax Full Elimination.....</u>	<u>(34,163)</u>
Subtotal.....	<u>(50,470)</u>

**Total IMPROVE Act Changes.....** \$49,591

**Total All Changes 2012-IMPROVE .....** \$39,184

### DOSS MODIFICATIONS TO IMPROVE ACT

#### State Street Aid Fund (Roads)

95-5 Sharing Gasoline Tax Impact.....	\$73,999
<u>95-5 Sharing Diesel Tax Impact.....</u>	<u>26,599</u>
Subtotal.....	\$100,597

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction Doss Change .....	\$0
Increase State Sharing of State Shared Sales Tax .....	105,626
<u>Hall Income Tax Full Elimination Doss Change .....</u>	<u>0</u>
Subtotal.....	\$105,626

**Total All Changes 2012-IMPROVE and Doss.....** \$145,347

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

White House	IMPROVE Act	Doss Proposal	Difference
<b>Street Aid Fund</b>			
Gasoline tax increase .....	73,561	73,999	438
Diesel tax increase .....	26,500	26,599	99
<b>General Fund</b>			
2012 to 2016 tax changes.....	(10,407)	(10,407)	0
2017 Sales Tax on Food .....	(16,307)	(16,307)	0
Hall Income phase-out.....	(34,163)	(34,163)	0
Increase state shared sales % .....	0	105,626	105,626
<b>Total Impact .....</b>	<b>39,184</b>	<b>145,347</b>	<b>106,163</b>