

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

*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 Winfield of \$( 170). In 2013, the rate reduction on food reduced state shared sales revenues to Winfield of \$( 233).

#### 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 Winfield Hall revenues by \$( 7). The 2013 increase to 33k/59k reduced Winfield revenues by an additional \$( 10). The final increase in exemption to 37k/68k in 2015 further reduced Winfield revenues by \$( 6).

#### Reduction in Hall Income Tax Rate

The 2016 reduction in the Hall Tax rate from 6% to 5% reduced Hall revenues to Winfield by \$( 186).

### IMPROVE Act Changes

#### Gasoline & Diesel Fuel Tax Revenues

Improve Act will increase gasoline & diesel shared revenues to Winfield by estimated \$6,077 in the first year. When fully phased in, Improve Act will have increased gas/diesel to Winfield by projected total of \$10,196.

#### Reduction in Sales Tax on Food Rate

Enacted reduction in the state sales tax rate on food will result in an estimated reduction of \$(1,662) in state shared taxes to Winfield.

#### Phased Elimination of Hall Income Tax

Enacted Hall phase-out will reduce Hall revenues to Winfield by an estimated \$( 222) in first year, \$( 666) in first three years of phase-out and a total projected reduction of \$(1,110) 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 \$18,084 difference to Winfield.
- Proposed increase in the “sharing percentage” of State Shared Sales Tax to cities from 3.6 to 4% will provide an estimated increase of \$10,763 in state shared sales tax revenue to Winfield.
- The interaction of Chairman Doss' Proposal and the enacted Improve Act will result in an estimated net impact of \$35,659 in funds flowing to Winfield as compared to an estimated net impact of \$7,424, if the Doss Proposal is not enacted.

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

### PRIOR CHANGES (2012-2016)

#### General Fund (Discretionary)

2012 Food Tax.....	\$( 170)
2013 Food Tax.....	( 233)
2012 Hall Income Exemption (26k/37k) .....	( 7)
2013 Hall Income Exemption (33k/59k) .....	( 10)
2015 Hall Income Exemption (37k/68k) .....	( 6)
2016 Hall Income Rate Cut (6% to 5%) .....	( 186)

**Total Prior Changes (2012-2016).....** \$( 613)

### IMPROVE ACT CHANGES

#### State Street Aid Fund (Roads)

Gasoline Tax Increase in Year 3 .....	\$7,496
<u>Diesel Tax Increase in Year 3.....</u>	<u>2,700</u>
Subtotal.....	\$10,196

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction .....	\$(1,662)
<u>Hall Income Tax Full Elimination.....</u>	<u>(1,110)</u>
Subtotal.....	(2,772)

**Total IMPROVE Act Changes.....** \$7,424

**Total All Changes 2012-IMPROVE .....** \$6,812

### DOSS MODIFICATIONS TO IMPROVE ACT

#### State Street Aid Fund (Roads)

95-5 Sharing Gasoline Tax Impact.....	\$22,248
<u>95-5 Sharing Diesel Tax Impact.....</u>	<u>6,033</u>
Subtotal.....	\$28,280

#### General Fund (Discretionary)

Sales Tax on Food Rate Reduction Doss Change .....	\$0
Increase State Sharing of State Shared Sales Tax .....	10,763
<u>Hall Income Tax Full Elimination Doss Change .....</u>	<u>0</u>
Subtotal.....	\$10,763

**Total All Changes 2012-IMPROVE and Doss.....** \$35,659

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

Winfield	IMPROVE Act	Doss Proposal	Difference
<b>Street Aid Fund</b>			
Gasoline tax increase .....	7,496	22,248	14,752
Diesel tax increase .....	2,700	6,033	3,332
<b>General Fund</b>			
2012 to 2016 tax changes.....	( 613)	( 613)	0
2017 Sales Tax on Food .....	(1,662)	(1,662)	0
Hall Income phase-out.....	(1,110)	(1,110)	0
Increase state shared sales % .....	0	10,763	10,763
<b>Total Impact .....</b>	<b>6,812</b>	<b>35,659</b>	<b>28,848</b>