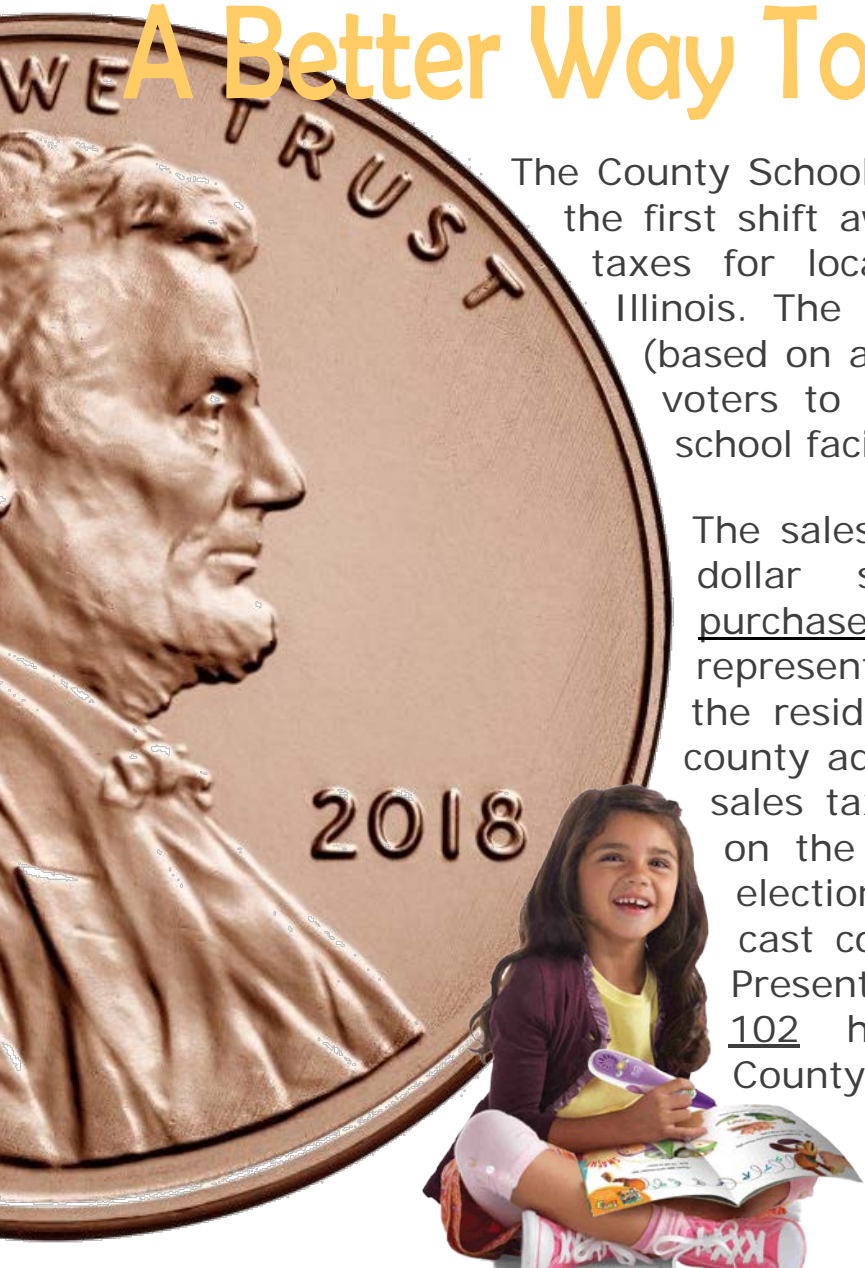


Tazewell County School Facility Sales Tax

A Better Way To Fund Schools



The County School Facility Sales Tax represents the first shift away from relying on property taxes for local school district funding in Illinois. The law went into effect in 2007 (based on a similar law in Iowa) allowing voters to approve a sales tax to fund school facility needs.

The sales tax is for one cent on every dollar spent on qualifying retail purchases. When School Boards representing more than 50 percent of the resident student enrollment in the county adopt resolutions supporting the sales tax, the question will be placed on the ballot at the next scheduled election. A simple majority of votes cast county-wide is needed to pass. Presently 51 Illinois counties out of 102 have already approved the County School Facility Sales Tax.

Election: November 6, 2018

Ballot Question:

"Shall a retailer's occupation tax and service occupation tax (commonly referred to as a "Sales Tax") be imposed in the Tazewell County at a rate of 1% to be used exclusively for school facility purposes?"

Information about the County School Facility Sales Tax

Retail sales NOT taxed include:

- Cars, Trucks, ATV's, Boats, RVs, and Mobile Homes
- Unprepared Food (groceries)
- Medicine
- Farm Equipment, Parts, and Farm Inputs
- If it is not currently taxed, it will not be taxed

Sales tax revenue can be used for:

- Safety and Security Improvements
- New School Facilities
- Additions & Renovations
- Land Acquisition
- Energy Efficiency
- Paying Off Building Bonds
- Architectural Planning/Engineering
- Durable Equipment

School Boards are responsible for making the decisions regarding how sales tax dollars will be spent on facility needs in each district.

Sales tax revenue CANNOT be used for:

- Salaries and Benefits
- Instructional Costs
- Textbooks and Computers
- Moveable Equipment
- School Buses
- Operating Costs

Additional Points:

- This sales tax revenue is limited to specific facility related expenses that are subject to annual audit reviews and available to the public for review.
- Sales Tax revenue to a district is not based on property wealth or state funding sources but rather the percentage of students a district has that live in a county where the county sales tax has been approved.



On November 6 voters in Tazewell County will vote on a one cent (1%) sales tax for schools. This document provides answers to some frequently asked questions about this innovative approach to school funding.

Pekin Public Schools District 108

Estimated Revenue:
\$2,375,864 annually

District 108 Priorities:

- Reduce Property Tax Rate by Repaying Existing Bond Payments
- Redesign School Entrances to Increase Security
- Reconfigure Traffic Areas for Pick Up and Drop Off
- Create Additional Parking
- Interior and Exterior Renovations and Modernization of Schools
- Replace Aging Roofs
- Perform Needed Maintenance on Aging Buildings and Grounds



What is the County School Facility Sales Tax?

The County School Facility Sales Tax is an alternative approach of funding the maintenance and improvement of school facilities and grounds by shifting a portion of the burden away from property taxes. The proposal on the ballot on *November 6* asks voters to decide on a countywide one percent sales tax on qualifying purchases that can be utilized only for school facilities and grounds.

How will funds be used?

Revenue from the County School Facility Sales Tax can be used only for **maintaining, renovating/upgrading existing facilities and grounds, new construction projects, or acquiring property**. The funds may also be used to pay off existing construction/life safety bonds that in turn may lessen the burden on property taxes. Each school district's elected board decides how to use the new revenue.

Can revenue from the sales tax be used for any other purpose?

No. The law clearly states that the revenue generated by the County School Facility Sales Tax is dedicated solely to the maintenance and improvement of facilities/grounds, paying for existing/new bonds, construction, and purchase of property. **Funds from the sales tax cannot be used for salaries, buses, furniture and fixtures, or other operating expenses.**

Can a sales tax lead to reduced or avoided property taxes?

Yes. The new revenue provided by the County School Facility Sales Tax will allow districts to pay for maintenance and improvements that would otherwise be funded by property taxes. Districts with existing bonds are able to apply the new revenue to pay off existing construction/life safety bonds and lower the property tax rates. Also, the new revenue stream from the sales tax would allow districts to avoid future property tax increases by being less dependent on levying for construction bonds to pay for costly facility projects.

How much revenue will the sales tax generate for our schools?

If the County School Facility Sales Tax passes, it is projected to generate **\$13,741,161** for all districts across Tazewell County.

It is estimated that Pekin District 108 would receive \$2,375,864 annually.

This amount is based on the district enrollment for the 2018-2019 school year and may fluctuate slightly each subsequent year as those numbers change.

Will every school district in the county benefit from this sales tax?

Yes. Every school district in the county will receive funds from the County School Facility Sales Tax. The sales tax is collected from all cities and towns in the county. The revenue will be distributed on a monthly basis based on each district's student enrollment. Considering the enrollment counts for the 2018-2019 school year, it is estimated that each district in Tazewell County would receive \$656 per student, or \$65,600 for every 100 students. Pekin District 108 would receive a total amount of **\$2,375,864**.

How much of the revenue generated by the sales tax will come from people who live outside of Tazewell County?

It is projected that **25 percent to 30 percent** of the total annual revenue will come from *people not residing in Tazewell County* such as tourists, visitors, or shoppers from neighboring counties.



Tax Rates across Illinois

<u>City</u>	<u>Sales Tax Rate</u>
Bloomington/Normal	8.75%
Champaign	9.00%
Chicago	10.25%
Decatur	9.25%
East Peoria	9.00% - 9.50%
Galena	8.25%
Marion	9.25%
Morton	6.75 - 7.00%
Pekin	8.50%
Peoria	9.00% -10.00%
Springfield	8.75 - 9.75%
Galesburg	8.75%-9.75%
Washington	8.50%

Source: Illinois Department of Revenue

How will the sales tax impact our local economy?

Investing in school improvements and construction in Tazewell County has potential to boost our local economy. Many projects funded by this sales tax will put people to work across Tazewell County and throughout the region. Local contractors and businesses through competitive bids and prices will benefit as sales tax revenues are used for facility projects. Excellent school systems with quality facilities and learning environments are a key ingredient in attracting families to live within our county.

- **School facilities**

This dedicated revenue source will keep schools and classrooms maintained for safety, security, and sustainability.

- **Jobs and economic growth**

Many projects funded by the sales tax will put local people to work and support local businesses throughout Tazewell County.

- **Local control of funds**

Every school district will control how it uses this tax revenue through the elected school board members who represent each school community.

- **Shift away from property taxes**

A sales tax represents a shift away from property taxes. School districts would become less reliant on property taxes with options to pay off existing bonds or avoid new property taxes.

- **Funding from outside our county**

Visitors to Tazewell County will support schools with their spending. An estimated *25 percent to 30 percent* of sales tax revenue comes from non-residents of Tazewell County.

- **Quality of life**

Schools play an important role in attracting families to settle in our communities. Attracting new families and retaining our current residents help to ensure a positive future across Tazewell County.



How much more would I actually pay if the sales tax is passed?

Below are some various examples of the impact of the County School Facility Sales Tax if it is passed.

- \$100.00 of grocery food = **No Increase**
- \$50.00 of gas = \$.50
- \$15,000.00 car/truck = **No Increase**
- \$7.00 of fast food = \$.07
- \$450.00 TV = \$4.50
- \$40.00 of medicine = **No Increase**
- \$70.00 pair of shoes = \$.70



How do school facilities improve the quality of education in our schools?

The dollars provided by the County School Facility Sales Tax will establish a reliable source of revenue to ensure districts' school facilities/grounds can be maintained and updated regularly to provide many future years of quality service to the community. Districts will have the capacity to make important improvements to the environment where students learn with an emphasis on security and safety. The ability to provide modern facilities necessary to support a 21st century education is critical to equip our students with the tools they need to compete in a rapidly changing global marketplace.

How will the County School Facility Sales tax appear on the November 6 ballot?



Proposition for a 1% (1 cent) County School Facility Sales Tax

Shall a retailer's occupation tax and service occupation tax (commonly referred to as a "Sales Tax") be imposed in the Tazewell County at a rate of 1% to be used exclusively for school facility purposes?

The Power of the Penny