

Decreasing property taxes through increased sales tax

Information about the
November 6, 2012
Sales tax referendum



The law and its limitations



- Law went into effect in 2007; amended in 2011 (County Board no longer has to approve the tax)
- 1% maximum in ¼% increments
- Revenue can only be used for:
 - New Facilities
 - Additions & Renovations
 - Land Acquisition
 - Ongoing Maintenance
 - Architectural Planning
 - Durable Equipment (non-moveable items)
 - Fire Prevention and Life Safety
 - Disabled Access & Security
 - Energy Efficiency
 - Parking Lots
 - Demolition
 - Roof Repairs
 - Abatement of property taxes levied to pay bonds issued for capital purposes

Source: Stifel Nicolaus

The law and its limitations



- Sales tax revenue cannot be used for the following:
 - Direct Instructional Costs
 - Textbooks
 - Buses
 - Detached Furniture & Fixtures
 - Computers
 - Moveable Equipment
 - Operating Costs
 - Salaries and Overhead

Source: Stifel Nicolaus

The law and its limitations



- Items not included:
 - Cars, trucks, ATVs
 - Boats and RVs
 - Mobile Homes
 - Unprepared Foods
 - Drugs (including over-the-counter and vitamins)
 - Farm Equipment and Parts
 - Farm Inputs

If it is not currently taxed, it will not be taxed.

Source: Stifel Nicolaus

Local Sales Tax Rates



Belvidere – 6.75%

Rockford – 8.25%

Source: Illinois Department of Revenue

Action by the Board of Education



- July, 2012 – Approved resolution to place question on the November 6 ballot asking voters to approve an increase in the sales tax “to be used exclusively for school facility purposes”.
- August, 2012 – Approved a policy to abate (refund) the bond and interest levy and extension in an amount not to exceed the district’s estimated revenue from sales tax.

Ballot language: Shall a retailer’s occupation tax and a service occupation tax (commonly referred to as a “Sales Tax”) be imposed in Boone County at a rate of 1% to be used exclusively for school facility purposes?

District #100's bond and payment status



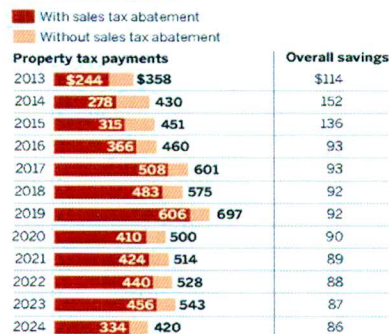
	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total bond & int. payments	\$9,277,488	\$9,920,988	\$10,593,604	\$11,320,282	\$15,525,020	\$15,557,644	\$19,736,944
Approved abatement (refunding)	(\$2,950,000)						
Proposed abatement (refunding)		(\$3,000,000)	(\$1,000,000)				
Proposed abatement (sales tax)		(\$500,000)	(\$2,200,000)	(\$2,300,000)	(\$2,400,000)	(\$2,500,000)	(\$2,600,000)
Net Tax Extension	\$6,327,488	\$6,420,988	\$7,393,604	\$9,020,282	\$13,125,020	\$13,057,644	\$17,136,944

Benefits for property owners



Property taxes increase from bonds

Voters in Boone County can expect their property taxes to increase to pay off bonds issued in 2005 for constructing and fixing schools. If residents approve the proposed "county school facility tax," then its revenue could be used toward property taxes. Below is a chart detailing how much relief the tax could provide.



Property taxes are based on a home valued at \$100,000.
 Numbers are rounded.
 Source: Belvidere School District, ROCKFORD REGISTER STAR

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For more information

- Visit our website at www.district100.com and click on the Sales Tax Referendum link found under the About Us tab.
 - FAQs will be posted and periodically updated
- Attend an upcoming informational meeting
 - Saturday, September 15 at 9 a.m. at Belvidere High School
 - Thursday, September 27 at 6 p.m. at Belvidere North
 - Tuesday, October 2 at 9 a.m. at Belvidere North
- Ask questions

Thank you!