

1% Sales Tax Talking Points/Facts

What is exempted from this tax?

-Titled or licensed property (vehicles-cars, trucks, ATVs, boats, RVs), Mobile homes, Food that is 'off premises' or unprepared; drugs and medical supplies including over the counter and vitamins; resale items; farm equipment and parts, farm inputs, services

What can the tax be used for?

-Any construction for school purposes would qualify (new facilities, additions, renovations, land and site improvements, demolition, land acquisition, parking lots, roof repairs, architectural planning, technology infrastructure)
-Fire prevention, safety, energy conservation, disabled accessibility, school security
-Make payments on and/or refund existing bonds that were issued for capital purposes
-School Resource Officers and Mental Health Professionals now included

What are ineligible uses of the 1% tax?

Direct instructional costs, textbooks, buses, detached furniture and fixtures, computers, moveable equipment, operational costs, salaries and overhead

What question will appear on the ballot?

“Shall a retailers’ occupation tax and a service occupation tax (commonly referred to as a “sales tax”) be imposed in the County of Clay, Illinois, at a rate of 1.00% to be used exclusively for school facility purposes, school resource officers, and mental health professionals?”

How much would each school district be anticipated to get annually from the 1% sales tax?

Flora: \$854,116, North Clay: \$358,470, Clay City: \$155,294

What has been the result of 1% sales tax questions in counties around us?

Counties that have passed the 1% tax: Jasper, Richland, Lawrence, Edwards, Wabash, Cumberland, Fayette, Bond, Shelby, Coles, Douglas, Edgar, Christian, Montgomery, Marion, Macoupin (There are many more in the state that have passed the tax but I just listed the ones around us-57 counties total have passed the tax.)

Counties with 1% on the ballot for the November election: Effingham, Hancock, DeKalb

Counties where it has been on ballot in the past and failed: Wayne, Jefferson, Washington, Clinton, St. Clair, Madison, Crawford, Moultrie (There are others where has been on the ballot and failed but I only listed the ones around us.)

How can this revenue be used to decrease property taxes?

A district can abate or decrease existing property taxes by using sale tax funds to pay off outstanding building bonds.

For this option if we abated \$400,000 of our existing bond it would reduce our tax rate by approximately \$.30. This would have the following effect for tax bills:

\$75,000 property value: \$75 less

\$100,000 property value: \$100 less

\$200,000 property value: \$200 less

\$500,000 property value: \$500 less

A district can avoid levying property taxes by using sales tax funds to pay for facility projects that would have been paid for with property taxes.

If this money eliminates the need to raise the tax rate/property taxes and you calculate the tax savings on the entire \$854,116 annual revenue it would reduce the tax rate by \$.64 and have the following effect for tax bills:

\$75,000 property value: \$160

100,000 property value: \$213

200,000 property value: \$427

500,000 property value: \$1067

How is the money distributed?

Revenues are distributed per pupil who reside in the county with the sales tax. The annual revenue is used to calculate the per pupil amount from the sales tax and then multiplied by the number of students the district has that resides in the county to determine the amount of revenue distributed. Unlike the county safety tax which goes to the county for them to decide how it is disbursed, this revenue goes directly to the school district.

As an example: The estimated annual total sales tax in Clay County is \$1,371,761. There are an estimated 2120 students in Clay County which calculates to a \$647.057. We have approximately 1320 students in Clay County so our estimated amount that would be distributed to us would be \$854,116.

How does the 1% tax pass?

A simple majority of votes cast county-wide is needed to pass the 1% tax. If approved, money is received monthly beginning approximately four months after the tax goes into effect.

What would our district specifically use the revenue on?

- Abating a portion of the elementary school bond
- Addition of a second school resource officer
- Expanding mental health services for students
- Roof replacement and repair
- Renovation of science labs and shop at the high school
- Secondary gym at the junior high
- New entrance/atrium/restroom area by the gym entrance at the high school,
- New restroom facilities at the baseball fields,