

# Safety, Sustainability, & Savings



## 1% Woodford County School Facility Sales Tax

The Woodford County School Facility Sales Tax is a new approach toward maintaining and improving schools, supporting local jobs, and shifting funding away from property taxes across Woodford County. The March proposal asks voters to decide on a countywide, one-cent sales tax utilized only for school facilities purposes. The revenue from this sales tax can fund school improvements while lessening the tax burden on property owners.

**Election: March 20, 2018**

*The proposal will appear as follows:*

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

**On March 20, 2018 voters in Woodford County will vote on a 1% sales tax for schools. This document provides answers to some frequently asked questions about this innovative approach to school funding.**

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## Retail sales **NOT** taxed include:

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

## Sales Tax Revenues can be used for:

- Security Upgrades & Modifications
- Maintenance and Repairs
- Remodeling, Renovation & New Construction
- 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 dollars **CANNOT** be used for:

- Salaries and benefits
- Instructional costs
- Textbooks and Computers
- Moveable equipment
- School Buses
- Operating costs

## Additional Points:

- The revenues are limited to very 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.

- While the Illinois General Assembly of the Governor have no ability to access the revenue raised from the sales tax, 2% of the sales tax revenue raised by the CSFST will be deposited into the Tax Compliance and Administration Fund and will be used by the Department of Revenue to cover the costs of the Department in administering and enforcing the provisions of this tax on the behalf of Woodford County.

### *Metamora CCSD #1*



Based on a study of taxable sales revenues in Woodford County last year, it is estimated that MGS would receive about \$225,000 in annual revenue from the sales tax.

Metamora Grade School would have many uses for the additional revenue. An upgrade in additional electrical power and wireless technology will provide for enhanced curriculum in all areas. Initial specs have this at a cost of approximately \$175,000.

Revenue from the Sales Tax can also be used to pay for existing General Obligation Bonds used for building additions.

Subsequent revenue from the Sales Tax would be used to maintain our facilities thus allowing us to not levy our property owners for those maintenance costs.

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## Why is this needed now?

Many school districts in Woodford County are facing serious facility needs. Safety and security improvements to buildings designed in a different era require expensive updating to support learning into the future. Sales tax revenues can address facility needs while using competitive local contractors. The county sales tax for schools addresses facility funding in a manner that shifts away from property taxes.

## How can revenue from the sales tax be used?

Funds from this sales tax can be used only for maintaining, renovating and upgrading existing school facilities, for new construction and paying off building bonds that can help reduce property taxes. Each school district in the county decides how to use revenues.

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

No! By law, the revenue generated by this sales tax is dedicated to capital improvements and/or property tax reduction. Funds from the sales tax may not be used for salaries, buses, furniture, fixtures or any other operating expenses.

## How can a sales tax lead to reduced property taxes?

The resources provided by the county sales tax for schools will pay for school facility maintenance and improvements that would otherwise be funded by property taxes. Woodford County school districts with outstanding building bonds would be able to apply new revenue to retire, or pay off, the existing building and life safety bonds thus lowering the property tax. New revenues would allow a district to be less dependent on new bonding and/or levying property taxes to pay for costly facility projects.

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

If the County Schools Facility Sales Tax passes, the county revenues for schools are projected to generate \$250 per student living in Woodford County. It is estimated to be nearly 1.7 million dollars total across the county. For example, that would mean \$25,000 for every 100 students enrolled with a Woodford County residence. The Metamora Grade School District has 912 students and is estimated to generate over \$225,000 per year!

### Area Sales Taxes Rates:

All of Woodford County	7.25%
East Peoria	8.00-9.00%
Peoria	9.00-10.00%
Normal	8.75%
Bloomington	8.75%
Washington	8.00%
Pekin	8.50%
Peoria Heights	8.75-9.75%
Morton	6.75-7.00%
Lincoln	8.25%
Pontiac	7.25-8.25%
Galesburg	8.75-9.75%

## Will the Illinois Legislature or Governor be able to access these funds?

No! One of the most frequent concerns about this tax is that the state government will take this money and appropriate it away from schools much the way they did with Illinois Lottery money. The actual language from the statute reads: "The Department (of Revenue) shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the School Facility Occupation Tax Fund, which shall be an unappropriated trust fund held outside the State treasury (55ILCS5/5-1006.7)." If there was ever a time that the State would access a new revenue source, it would have been during the two years in which there was no state budget. However, none of the money raised in the 49 counties with this tax was accessed by the State. There is simply no legal mechanism for the State to access this revenue.

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

Every district in the county will receive funds from the tax, which will be collected from all towns in the county and then distributed based on each district's enrollment of students living in Woodford County.

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## How will this impact our local economy?

Investing in school improvements and construction in Woodford County has potential to boost our local economy. Many projects funded by this sales tax will put people to work across Woodford County. Local contractors and businesses through competitive bids and prices will benefit as sales tax revenues are used for approved 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 and sustainability.
- **Funding from outside our county**  
There are many travelers from outside Woodford County stopping for snacks and gas while driving our highways, interstates and country roads as well as shopping in some of our quaint towns with unique shops within our County.
- **Jobs and economic growth**  
Many projects funded by the sales tax will put local people to work and support local businesses throughout Woodford 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.
- **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 Woodford County.

## How much more would I actually be paying if the sales tax passed?

\$200 of grocery food = **no increase**

\$10 of fast food = 10 cents

\$50 of gasoline = 50 cents

\$450 television = \$4.50

\$25,000 car/truck = **no increase**

\$45 medication = **no increase**

\$70 pair of shoes = 70 cents

\$20 haircut = **no increase**

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

The revenue provided by the sales tax will mean an improved learning environment including an emphasis on safety and security for students across the county. Buildings will be maintained to increase their future years of service to our community. This revenue will allow Woodford County school districts to provide the facilities necessary to support a 21st century education, which is critical to ensuring that our students have the tools they need to compete in a changing economy.

## How many counties have passed the County School Facility Sales Tax?

Of the 102 counties in Illinois, the voters in 49 of them have approved this sales tax.

For further information please contact Marty Payne, Superintendent, Metamora CCSD #1. 309-367-2361, or [mpayne@schools.mtco.com](mailto:mpayne@schools.mtco.com).