

**MACOUPIN COUNTY**  
**Proposed Public Safety Tax Summary**

**What is the proposed Public Safety Tax Ballot Question?** "To pay for Public Safety purposes, shall Macoupin County be authorized to impose an increase on its share of local sales taxes by 0.75 percent? This would mean that a consumer would pay an additional 75 cents in sales tax for every \$100.00 of tangible personal property bought at retail in the County."

**What does / doesn't apply to the Public Safety Tax?** A Public Safety Tax does not apply to the following:

- food for human consumption that is consumed off the premises
- prescription and non-prescription drugs
- medical appliances
- cars, trucks, motorcycles, & aircrafts
- boats, snowmobiles, trailers

The Public Safety Tax does not apply to other items that are currently exempt from sales tax (farm machinery, etc.)

**For what purpose would a Public Safety Tax be used for?** The revenue generated would be used for the following purposes, but not limited to:

- crime prevention
- detention
- emergency services
- police services

**If the proposed Public Safety Tax is approved, how is the County's Sales Tax distributed?** Currently, the county's sales tax rate is 6.25%. If the Public Safety Tax would be approved, the county's sales tax rate would be 7.00%. Currently, the sales tax rate of 6.25 percent in the county is broken down as follows:

- 5 percent to the State
- 1 percent to local government
- 0.25 percent to the County

The current rate is the lowest rate in effect in the State of Illinois. If the proposed Public Safety Tax is approved, the county's rate would be 7.00% and still one of the lowest in all of Central Illinois. If approved, a sales tax breakdown would result as follows:

- 5 percent to the State
- 1 percent to local government
- 0.25 percent to the County
- 0.75 percent to the County specifically for Public Safety

**What are surrounding communities and county's sales tax rates?**

Current sales tax rates for surrounding communities and nearby major shopping centers are as follows:

<b>Macoupin County Proposed Rate – 7.00%</b>	Litchfield – 7.25 %
Jerseyville – 7.50%	Edwardsville – 7.85%*
St. Louis County – 8.175%	City of St. Louis – 8.49%
Alton – 8.85%	Fairview Heights – 8.85%*

Springfield – 9.00 %\*

Collinsville – 9.10%\*

*\*Rate minimally in portion of municipality*

**How much revenue would this tax generate for public safety in Macoupin County if approved?** It is estimated that the tax could generate between \$500,000 and \$800,000 annually.

**What is the projected cost to each resident?** It is projected that it would cost the average consumer less than 33 cents per week\*.

\*It is possible that this figure may be lower because the projection does not include purchases made by consumers from outside Macoupin County.

**Why is sales tax revenue down in Macoupin County?** Sales tax revenue has decreased by 78% over the last five years. The largest portion of the sales tax decrease is due to the closing of the coal mines and the fact that after the mines reopened most of the coal was being shipped out of state and sales tax is not paid on this coal. It is apparent that Macoupin County can no longer depend on Coal Mine sales tax revenues to fund Public Safety.

**How is public safety currently funded in the County budget?** Macoupin County currently funds the public safety portion of County Government with a combination of tax revenues, fees and fines generated, as well as State and Federal Grants and reimbursements. The majority of the funds for Public Safety come from the General Fund which receives a sizeable amount of its revenue from declining sales taxes.

Total General Fund expenditures in 2002-2003 were \$6,591,368 while expenditures in 2012 were \$7,022,754. Over the time period, total expenditures have only increased by 7% in total or 0.7% per year. Revenues to the county during this same timeframe increased by 6% in total or 0.6% per year. The current expenditures of the county are approximately 17 % below what they would have been had they escalated at a normal rate of inflation. It would be difficult to continue this trend over the long term without affecting the ability of the County to fund the level of Public Safety service.

The county board has a duty to fund these services at an adequate rate to assure everyone's safety and quick response in an emergency. In 2002, Public Safety expenditures made up 38% of the General Fund Disbursements; in 2012 this amount increased to 49% of the General Fund expenditures. The implementation of a Public Safety tax will allow these departments to be less reliant on the General Fund to fund departments in the future.

**If the Public Safety Tax were approved by the voters, would the county board have any options to reduce taxes in other areas on Macoupin County residents?** If the public safety tax were to be approved by the voters, the County Board could choose to freeze the county's portion of property taxes for a defined period of years. In this event, county residents would see no increase in the county portion of their property tax bill for a certain period of years.

**Why should we consider putting this measure on April ballot?** The reason for seeking approval of the Public Safety Tax at this time is an effort to take a proactive approach in securing adequate funding for some of the most important services the county provides: Public Safety. We need to address the problem of decreased sales tax revenues along with declining State / Federal Funding and reimbursements. If delayed until the next scheduled election, the county would not see revenues for more than two years.

**Is the County Board voting to raise sales taxes?** No, the Board decision at the January meeting is whether or not to place Public Safety Tax question before the Voters in the April election. Before a tax was to be implemented, it must first receive approval of the voters. The Board cannot make the decision on its own.