

## Points for Discussion Proposed ¼-cent Sales Tax

The proposed ¼-cent local option sales tax can only be approved by the citizens through a referendum.

The proposed ¼-cent referendum will be held on Tuesday, November 3, 2009.

The ballot will be worded as follows: ( ) For ( ) Against local option sales and use tax at a rate of one-quarter percent (0.25%) in addition to all other state and local sales and use taxes.

Should the ¼-cent sales tax be approved the new tax would begin on April 1, 2010.

<u>October 1, 2009</u>	<u>April 1, 2010</u>
5.75 % State	5.75 % State
<u>2.00 % County</u>	<u>2.25 % County</u>
7.75%	8.00%

The proposed ¼-cent sales tax is estimated to generate \$2 million in new revenue per year.

The need for the new sales tax is due to overcrowding in current jail facilities and the replacement of emergency radio equipment used by all public safety agencies including the Sheriff's Department, rescue, EMS, 911 and fire departments.

Rowan County houses 269 inmates in a facility originally designed for 162 inmates. The County is also paying \$650,000 per year to house inmates in Sampson County, North Carolina. The estimated cost of a new satellite jail annex to house 160 misdemeanants is \$6 million.

By January 1, 2013, all radio equipment must convert from analog signal to digital signal. Because of these FCC regulations, the ability to project or transmit radio communications will be reduced. This reduction in capabilities will create more dead zones in the outlying areas of the County thus creating the additional requirement of building 1-3 new radio towers. The estimated cost of the equipment and towers is \$12 million.

The County may expend funds for the education of the ¼-cent sales tax issue, but may not expend funds to promote or sell the referendum question.

Quarter Cent Sales Tax Data

Expense	New $\frac{1}{4}\text{¢}$ Sales Tax	Additional Tax
\$4.00	0.0025	1¢
\$5.00	0.0025	1.25¢
\$10.00	0.0025	2.5¢
\$15.00	0.0025	3.75¢
\$20.00	0.0025	5¢
\$100.00	0.0025	25¢
\$500.00	0.0025	\$1.25
\$1,000.00	0.0025	\$2.50