

## Facts About The ¼-cent Sales Tax On The November Ballot

On the ballot in November 2007 will be an option to vote For or Against a onequarter percent (0.25%) sales tax in Cumberland County.

The Cumberland County Board of Commissioners offer voters the following information about this sales tax question:

- The State will assume the high and escalating costs of Medicaid from all counties over a three-year period. This benefits Cumberland County financially because those costs are rising faster than revenues here.
- The State will also take from the counties the revenues resulting from the ½ -cent sales tax that became effective in 2003. The revenues generated by the proposed ¼-cent sales tax will help offset that loss.
- Though this Medicaid Swap is good for Cumberland County's fiscal future, it does not result in windfall revenues for this county. Assumptions were made by the State in crafting the Medicaid Swap that do not apply to Cumberland County. The Fiscal Research Section of the General Assembly has itself recommended careful prediction of the fiscal impact of the Medicaid Swap on counties.
- Cumberland County is committed to supporting the needs of the public school system, strengthening the Library system with a new branch in the Western part of the County, and building a modern and efficient Public Health building on the campus of the Department of Social Services. The Board of Commissioners has already been advised that these commitments, and other foreseeable capital projects, could create pressure to increase the current property tax rate. Revenues from the additional one quarter cent sales tax would substantially reduce or avoid that pressure. Raising property taxes would, of course, negatively affect our efforts to market our county as a good place to live for the people who will come here as a result of the BRAC process.
- The Cumberland County Board of Commissioners is also committed to lowering the property tax rate by 2 cents (currently 88 cents per \$100 valuation.) This can only be done responsibly if the fiscal situation permits during the next budget season. If the additional one quarter cent sales tax is not approved, it is less likely that the property tax rate can be lowered.
- The effect of an additional quarter cent sales tax on a \$100 purchase is twenty-five cents. The tax will not be applied to food, including prepared meals.

If you have questions on the ¼-cent sales tax item on the November ballot, call the Public Information Director at 437-1921, or to reach any of the commissioners, call 678-7771.