



July 7, 2014

In March of 2014 the voters of Pike County passed a 1% school utilities tax. That tax went into effect July 1, 2014. Earlier this week I had several questions related to implementation of the tax and I did a little research on behalf of our members. For you, we provide the following information:

The Illinois Department of Revenue (IDOR) collects sales tax. When there is a tax increase, the IDOR sends a bulletin to the merchants /businesses currently paying sales tax. That correspondence was sent the last week of May. The bulletin is also available on the IDOR website at the link below. If for some reason a business does not make the change for the new rate, they will be billed for the difference. The IDOR system knows the expected rate and bills accordingly.

Here is a link to the bulletin on the IDOR website:

<http://tax.illinois.gov/Publications/Bulletins/2014/FY-2014-14.pdf>

The sales tax revenue will be sent by the IDOR to the Regional Office of Education beginning in October 2014. The Regional Office will then distribute the funds to the school districts. Based upon historical sales tax information for Pike County, the revenue for our 4 school districts should total \$895,000.

Now, more than ever, it's important to shop locally!

Those of us on the other side of the cash register are seeing slightly higher costs on our purchases. But let's remember what that one penny on the dollar means for our kids.

The school facilities tax was designed to provide additional sources of funding for school facilities, without raising school property taxes. Revenues will be distributed to Pike County schools, based upon relative student enrollment. The new funds must be used for **capital needs** (not operational needs) which would include things like land acquisition, improvements to existing facilities, construction of new facilities. The revenues may also be used to **abate taxes** for bonds previously issued for capital items. Each school district has a plan for the use of these funds.

Spending locally has always made sense for Pike County. Local businesses support our community through employment, sales and property taxes, community service contributions, donations, and more. These business owners live in our community, care about our community, and invest in our community. Studies show that 40 cents of every dollar spent locally has local benefits. These dollars finance our local quality of life, making every local purchase a good investment in our community. But now, there is an additional reason to shop locally. Our schools and our kids benefit!

We remind everyone to "Live Pike, Love Pike, Spend Pike". Before you jump in the car or go online to shop please think about the real and valuable benefits of spending first in our home county. When we shop locally everybody wins- especially our kids!