

## **Local Option Sales Tax Extension White Paper October 2013**

Counties, with voter approval, can increase the State-wide 6% Sales Tax to 7% for infrastructure needs. The sales tax is applied to transactions subject to State tax. These monies can be used for a wide range of capital infrastructure expenses such as public safety vehicles, acquiring park or environmental land, or engineering, design and construction of any public facility with a life span of over 5 years. Maintenance and operating costs are not eligible expenses, nor are reimbursements for prior land purchases.

Charlotte County voters have approved the local option sales tax four times, in 1994, 1998, 2002 and 2008. Each time this item was on the ballot there was a defined list of projects to be funded.

For Charlotte County, any ballot referendum in 2014 is not for a new tax. There will be no increase in the amount of sales tax you currently pay. This is a continuation of the existing Charlotte County one percent local option sales tax that was first approved in 1994. The current program expires December 31, 2014. This next program, if approved, would start January 1, 2014.

The advantage of using sales tax to fund projects is that it is paid by everyone, not just local property owners. Tourists and seasonal visitors contribute toward projects that improve the quality of life for everyone.

Currently 55 of 67 Florida counties, or 82%, have a local sales tax. This includes our neighboring counties of Sarasota and DeSoto.

Since 1994 over \$325,000,000 has been collected for projects. Over 50 Charlotte County projects and 20 City of Punta Gorda projects have been completed to date. The majority of these projects were included in the County's 5-year Capital Improvement Plan. The County has been discussing the infrastructure deficit for years.

In years past the County has requested input from the public, community organizations and conducted telephone and online surveys. The Board of County Commissioners also have had a Sales Tax Focus Group to review the proposed projects. The Charlotte Assembly 2013 is one of the first steps in providing input into the potential projects for the upcoming referendum.

-END-