

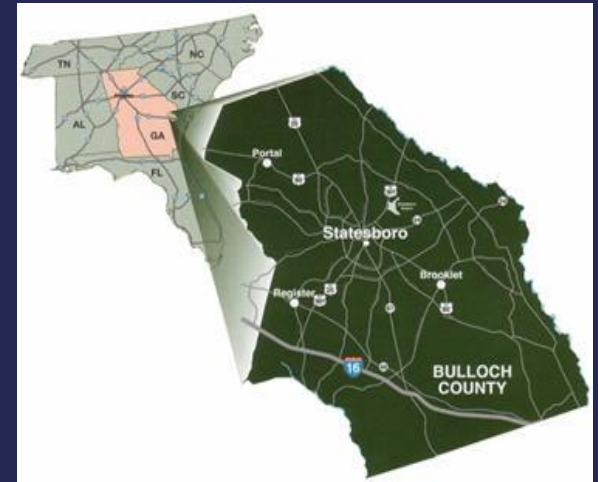
An Evaluation of Revenue Options for the City of Statesboro, GA



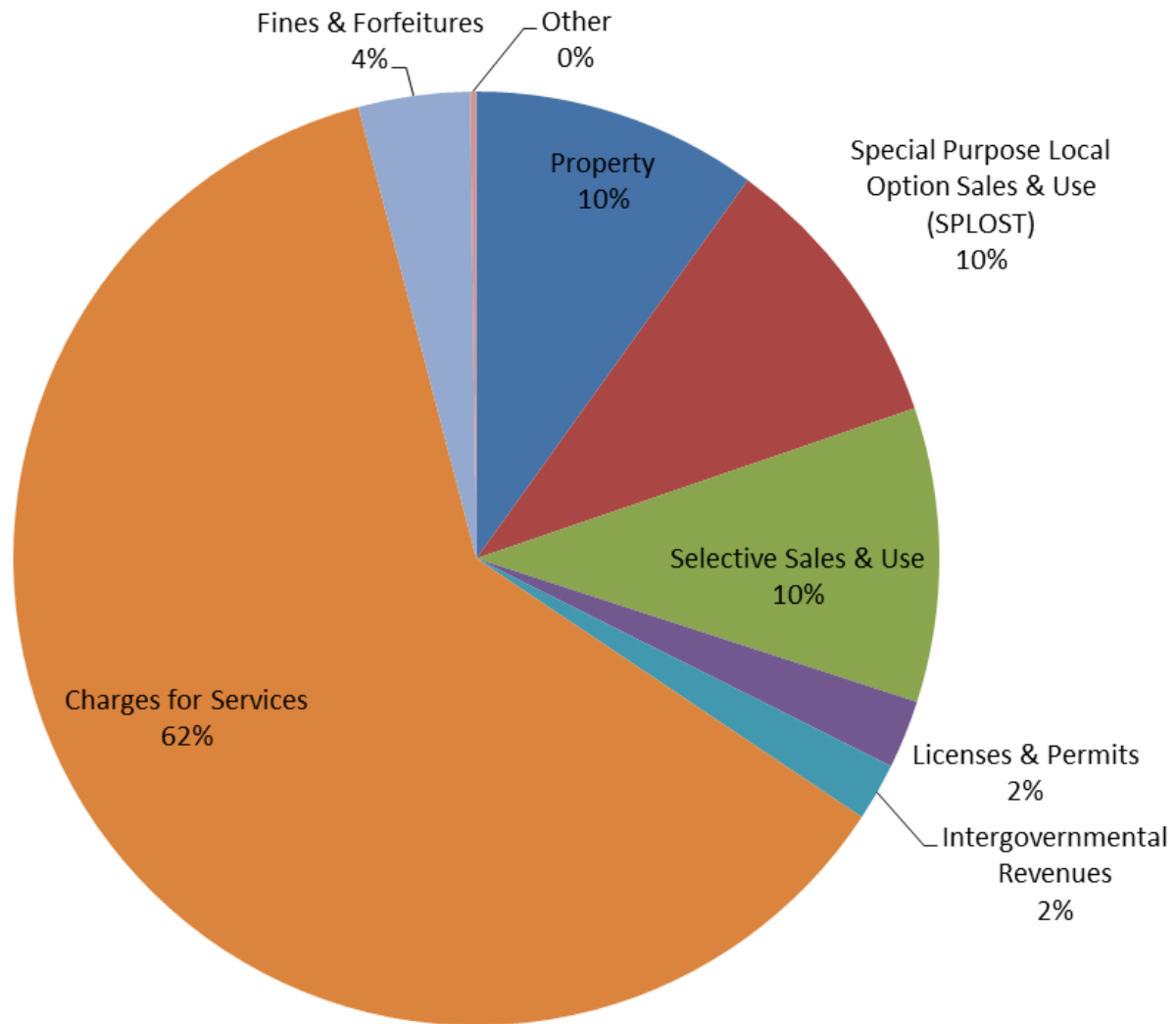
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Quick Facts: City of Statesboro, GA

- Located in southeast Georgia, the City of Statesboro serves as the county-seat of Bulloch County.
- The City of Statesboro is home to an estimated 29,799 residents and two institutes of higher-learning including Ogeechee Technical College and Georgia Southern University.
- The City of Statesboro operates under the council-manager form of government.



Statesboro Average Revenue by Source 2008-2011

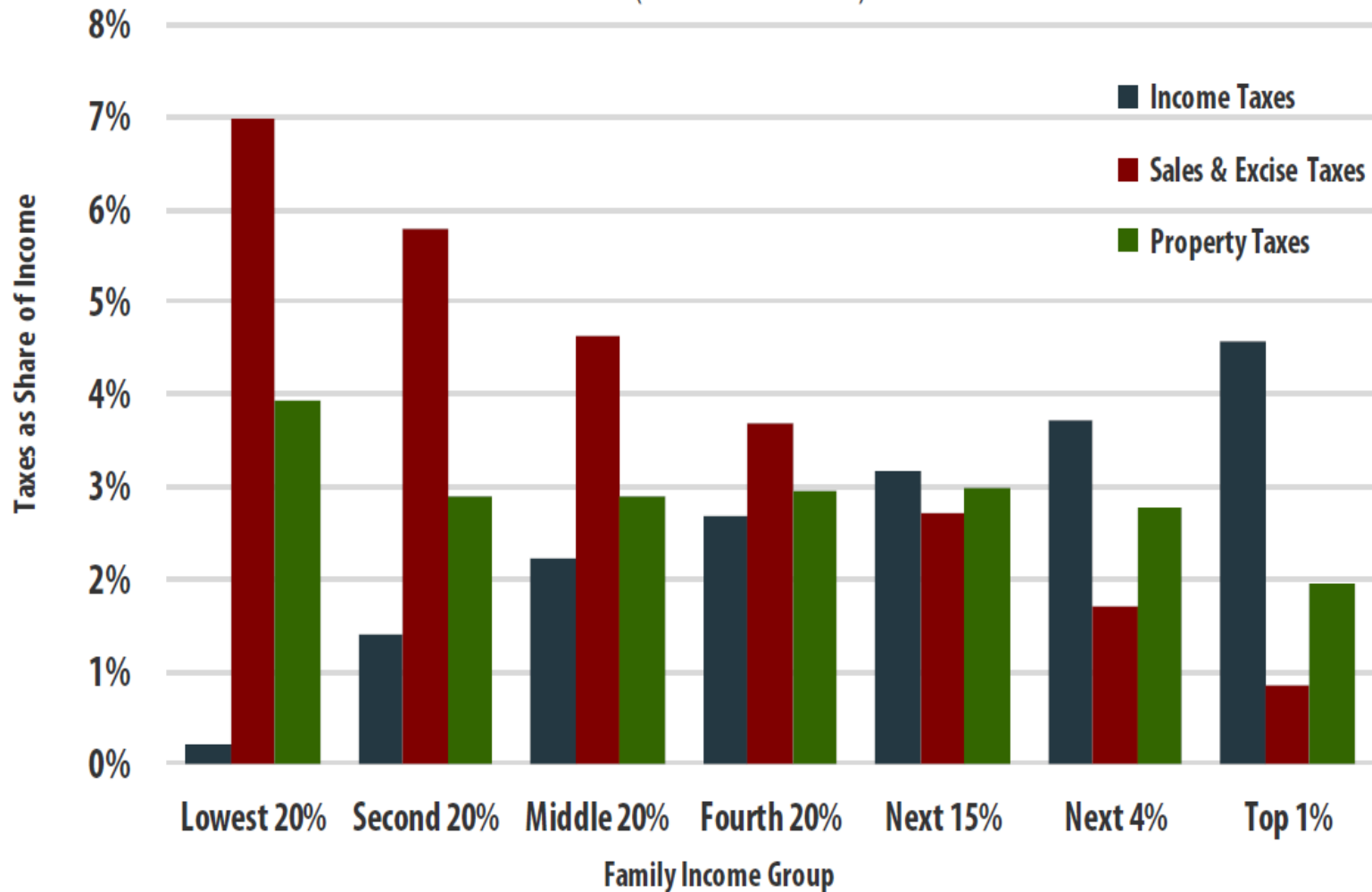


Tax Classifications: Progressive v. Regressive

- **Progressive:** A tax is progressive if its rate increases as the taxpayer's income or wealth being taxed increases.
- **Regressive:** A tax is regressive if its burden is greater for persons with lower incomes or wealth than for persons with higher incomes or wealth.

Comparing Types of Taxes: Averages for All States

(before federal offset)



Tax Classifications: Elasticity

- **Elasticity:** the degree of response one variable has to another variable.
- Elasticity Rate for Sales Taxes: 0.781



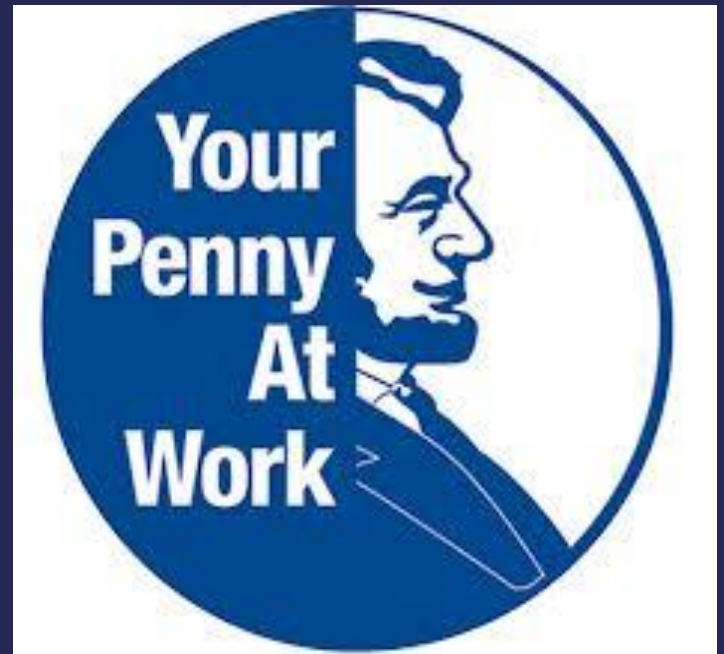
A Sales Tax is...

- **Inelastic:** revenues have relatively low yield even in times of economic growth
- **Regressive:** the tax burden is higher for lower income individuals

Types of Sales Taxes Available to the City of Statesboro:

**Local Option Sales Tax
(LOST)**

**Municipal Option Sales
Tax (MOST)**



Local Option Sales Tax (LOST)

1.00 percent sales tax; imposed on the purchase and/or consumption of tangible goods within unincorporated areas as well as qualified municipalities.

LOST Revenue Forecast

- Average of \$10,165,430.98 county-wide
- Average of \$4,791,111 in revenue distributions directly to the City of Statesboro

Municipal Option Sales Tax (MOST)

- 1.00 percent sales tax
- Available *only* after the Georgia state legislature approves a public referendum
- Imposed on the purchase and/or consumption of goods within municipal limits

If a MOST public referendum passes...

- The City of Statesboro would be allowed to prepare and sustain development projects while providing a sound revenue supplement to the ad valorem taxes.
- MOST revenues should average *\$8.5 million* annual disbursements.

Bulloch County 1.00 Sales Tax Increase Election Results

Special Purpose Local Option Sales Tax
(SPLOST) 2011: ***PASSED***
(Yeas: 3,320 Nays: 1,484)

Education Special Purpose Local Option Sales
Tax (E-SPLOST) 2009: ***PASSED***
(Yeas: 1,584 Nays: 161)

Potential Political Problems with the MOST

- The City of Atlanta
- Coalition Building
- Other External Pressures from Official and Unofficial Actors

Conclusions

- Local and state governments are expected to deliver more services with relatively stagnant revenues.
- The City of Statesboro is considering alternative revenue sources, such as the LOST and MOST, to supplement ad valorem taxes.
- The MOST is undoubtedly the most profitable and advantageous revenue option for the City of Statesboro to pursue.

Acknowledgements

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