

Tax Impact Information

A Potential Opportunity: The American Recovery and Reinvestment Act (ARRA), signed into effect on February 17, 2009 by President Obama, provides two new school bonding provisions (Build America Bonds-Direct Pay and Qualified School Construction Bonds) that subsidize the cost of borrowing on passed referendum construction projects and lowers the amount paid by local taxpayers. **This stimulus benefit is set to expire in 2010 AND IS DEPENDENT ON FINAL FUNDING DETERMINATIONS MADE AT THE FEDERAL LEVEL.**

Estimated Referendum Project Costs: \$35,190,000

Estimated Tax Rate Increase with NO Stimulus: \$1.77

Estimated Tax Rate Increase WITH Stimulus: \$1.41

- Estimated Tax Rate Increase is in addition to the 2009-10 tax rate for debt.
- The tax rate equals the cost per \$1,000 of Fair Market Property Value.

PROPERTY VALUE	ANNUAL TAX IMPACT	ANNUAL TAX IMPACT	YEARLY STIMULUS SAVINGS
	No Stimulus	Full Stimulus	
\$100,000 Property	\$177	\$141	(\$36)
\$200,000 Property	\$354	\$282	(\$72)
\$300,000 Property	\$531	\$423	(\$108)

Potential Stimulus Benefit:

Estimated Tax Rate Difference: **(\$0.36)**

Estimated Interest Cost Savings:

NOTES:

NO Stimulus Bond Benefit: Conservative planning estimate assumes 4.50% & 5.00% traditional tax-exempt interest rate. Current market rates are lower.

FULL Stimulus Bond Benefit: Example assumes a 25% Qualified School Construction Bond "QSCB" Allocation from DPI; actual amount may vary. Example "QSCB" issue assumes 0.00% interest rate. Actual market may be higher than 0.00%. Example assumes Build America Bonds "BABs" issued for the remaining 75% of project. Estimated average interest rates of 4.00% - 4.50%.