

Operating Revenues

Property Tax

- ❑ Property tax revenues are expected to remain strong with a projected FY 08 growth rate of 8.7% mainly due to growth in reassessments.
- ❑ Since 2000, the average home sale price for both new and existing homes increased by nearly \$190,000 or 10.8% compounded annually.
- ❑ In FY 08 \$22.1 million of real property tax revenue was directly appropriated to the capital budget.
- ❑ In FY 06 the Homestead Tax credit was lowered from 110% to 107%, which both provided tax relief and reduced revenue volatility. A new senior tax credit, a local supplement to the existing State program, provides additional relief for seniors.

Local Income Tax

- ❑ The current income tax rate is 3.05%, leaving 0.15% available before reaching the State tax cap of 3.20%.
- ❑ A change in the State's methodology for distributing income taxes resulted in growth of 1.7% in FY 07. Income tax growth is expected to rebound to 4.9% in FY 08.

Recordation Tax

- ❑ Recordation revenue dropped by 17% in FY 07 and is expected to fall another 5% in FY 08. While the drop in revenue exceeded expectations, the impact of the drop is largely limited as the increased revenue realized during the housing boom was not used to fund on-going commitments.
- ❑ In FY 08, Recordation revenue is forecasted at \$18 million. This amount is considered sustainable. Revenues that exceed the projection will be considered one-time revenue and will be used for one-time expenditures.

