

SALES TAX PASSED 1/2 CENT HELPS!

What is all this “Sales Tax Increase” talk anyway?

The Topeka City Council on February 17, 2009, passed Resolution 8145 which gives the citizens of Topeka the chance to vote on April 7 to increase the current sales tax of 7.45 percent by five-tenths of one percent (0.5%) to 7.95. This increase would generate an estimated \$12 million annually which will be used “...exclusively for costs of maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting...,” according to the resolution.

The Council is simply giving the citizens a right to vote the measure up or down. It is up to the citizens to tell the Council whether or not they want an increase in the sales tax for the exclusive purpose of providing revenue to repair City streets, gutters, curbs, sidewalks, alleys and street lighting.

The question on the ballot will read:

“Shall the City of Topeka levy an additional retailers’ sales tax in the amount of five-tenths of one percent (0.5%) to be used exclusively for costs of maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting, provided such tax shall take effect October 1, 2009, and expire ten (10) years from the date of imposition?”

The 1/2 cent sales tax equals a penny on every \$2 purchase made by residents and non-residents in Topeka.

For example, if you spend \$100 on groceries, the tax would go from \$7.45 to \$7.95, an increase of 50 cents which would go toward improving the city’s residential streets and thoroughfares.

Improvements exclusively include maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting.

SALES TAX BREAKDOWN

If approved, the sales tax rate for Topekans would be allocated as follows:

State of Kansas	5.30%
Shawnee County - General Tax	.50%
Washburn University	.65%
City - General Tax	1.00%
City Street Improvement Tax	.50%
TOTAL	7.95%

SALES TAX RATE COMPARISON RATES OVER 8 PERCENT

Bonner Springs	8.275% *
Leewood	8.050%
DeSoto	8.275%
Gardner	8.025% *
Spring Hill	8.050% *

*Tax will be effective April 1, 2009

SALES TAX RATE COMPARISON

Kansas City	7.550%
Lawrence	7.850% *
Manhattan	7.800%
Olathe	7.650% *
Overland Park	7.650% *
Topeka	7.45%
Topeka proposed	7.950%

*Tax will be effective April 1, 2009

What types of projects will and won’t the new revenues pay for?

The new revenue would be spent on maintenance and repair of existing roads, as well as widening existing roadways. Most of the dollars would be spent on asphalt mill and overlay projects. Other projects will include curb and gutter replacement, sidewalk repairs, and other street improvements such as crack sealing pavement and concrete joint replacement.

Sales tax revenues will not pay for construction of new streets. It will also not pay for any other public or private developments such as the riverfront or baseball stadium projects that are being discussed.

The revenues would be strictly for the street, gutters, curbs, sidewalks, alleys and street lighting.



What roadway projects have already been identified?

All projects will be based on a report prepared by an engineering firm that evaluated all of the city's streets. About 75 percent of Topeka's 680 miles of streets analyzed had an unacceptable rating. Projects will be chosen based on the type of project, location, and money available annually.

Why raise the sales tax rate instead of the property tax levee?

No one wants taxes to increase but with a sales tax people who shop in Topeka would be contributing to repairing the streets they drive on. About 40%+ of the sales tax collected in the city comes from persons who don't live in the city or pay property taxes. If property taxes are used to fix the streets they would be paid 100% by Topekans and Topeka businesses.

Why is there a need to raise the sales tax rate for streets, curbs, and sidewalks?

A road analysis study, commissioned by the city 3 years ago, indicated that 75 percent of the city streets were in need of repair. At that time it would have cost \$30 million to fix those existing streets. Since that time the costs for repairs have ballooned to \$50-60 million and we know that additional deterioration has evolved.

In the past there has not been a funding source for sidewalk replacement. Instead, only projects that bring the City into ADA compliance are regularly funded.

Where does the money for street repair come from now?

The City receives about \$6.3 million annually in federal motor fuels tax revenue that solely support all Street Section functions, including pothole repair, snow removal, street sweeping, and some minor reconstruction, such as alley entrances. Those funds are used exclusively for the street sections operating budget, including salaries, equipment and materials.

Have Topekans shown an interest in raising sales tax to repair city streets, curbs, gutters, sidewalks and lighting?

Yes. A private group commissioned a series of scientific polls to find the answer to these questions. There were three polls over the last 7 months, the last one in January of this year. The response from citizens is Topekans are willing to pay more sales taxes to address the deteriorating infrastructure as well as make improvements to infrastructure that will make our city more livable.

Also, according the results of a Citizens Survey the city government conducted last year, 65 percent of citizens were dissatisfied with the maintenance of City streets, buildings and facilities.

