

HANCOCK COUNTY SCHOOLS



1% County School Facilities Tax
Ballot Date April 1, 2025

SALES TAX INTRODUCTION

- The County School Facilities Tax (CSFT) is a retail tax on goods (not services) purchased within the County.
- The tax may be implemented on a county-by-county basis in Illinois via a referendum requiring a simple majority vote.
- Over half of the counties in Illinois currently have the tax.
- The sales tax may be implemented in 0.25% increments up to a maximum of 1.00%.
- The proceeds of the tax are distributed to local schools and may be used exclusively for facility needs, school resource officers, or mental health professionals.



WHAT IS TAXED?

CSFT is a general merchandising tax that applies to most goods sold within the County. Primary sources of revenue generation include:

- Restaurants
- Gasoline
- Department Stores (clothing apparel, home furnishings, sporting goods, etc.)
- Convenience Stores (prepared foods, alcohol)
- Online Purchases



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WHAT IS NOT TAXED?

- Services
- Cars, Trucks, ATVs
- Boats and RVs
- Mobile Homes
- Groceries (unprepared foods)
- Medicine
- Farm Equipment, Parts, and Inputs (seed, fertilizer, etc.)
- Aviation Fuel (unless revenue is expended for airport-related purposes.)



WHO WOULD PAY FOR THE TAX?

- Hancock County Residents shopping within the County
- Non-Residents shopping within the County
- College students temporarily residing and/or visiting the County and shopping within the County

*Central Illinois residents are already paying this tax when traveling and making purchases in Macomb, Galesburg, Moline, Peoria, and Springfield.

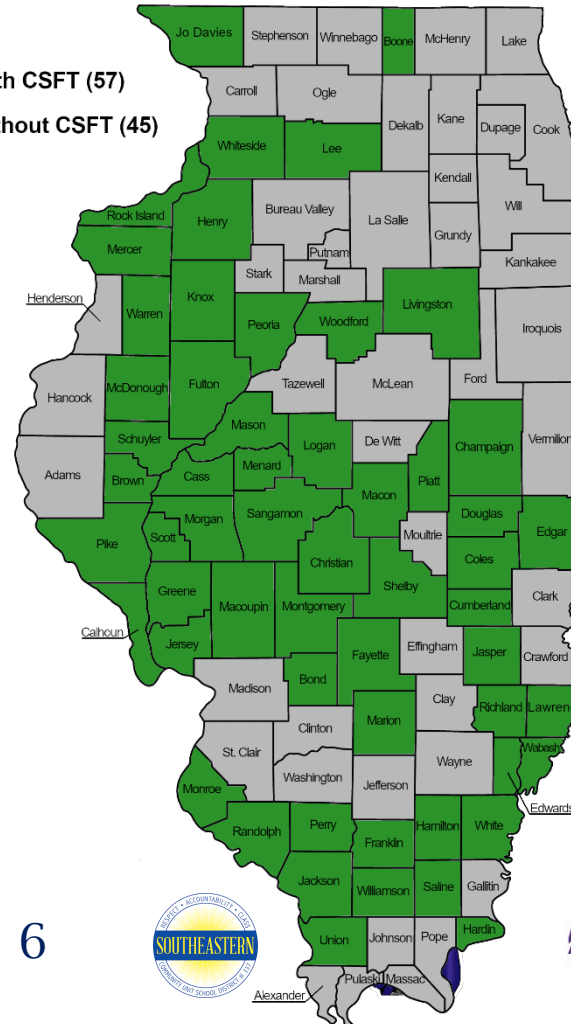


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WHICH COUNTIES HAVE THE TAX?

- Counties with CSFT (57)
- Counties without CSFT (45)



***All counties currently have the full 1% with the exception of Peoria County which is taxed at 0.50%**



WHAT HAPPENS WITH THE REVENUE?

- The revenue is divided up among the school districts with students residing in the County based on their enrollment. For school districts whose borders span multiple counties, they only get credit for students who reside in Hancock County.
- The tax is collected by vendors and remitted to the Illinois Department of Revenue, distributed to the Regional Office of Education, and then disbursed to the school districts according to their allotment.



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ESTIMATED REVENUE PER DISTRICT

District	Primary County	Total Enrollment	Estimate* within County	% of Total	Revenue per District*
Hamilton CCSD #328	Hancock	542	542	23.68%	\$ 286,912
Carthage ESD #317	Hancock	388	388	16.95%	\$ 205,391
Warsaw CUSD #316	Hancock	377	377	16.47%	\$ 199,568
Illini West CHSD #307	Hancock	334	300	13.11%	\$ 158,808
Southeastern CUSD #337	Hancock	413	255	11.14%	\$ 134,986
Navou-Colusa CUSD #325	Hancock	174	174	7.60%	\$ 92,108
LaHarpe ESD #347	Hancock	170	137	5.99%	\$ 72,522
Dallas City ESD #327	Hancock	148	91	3.98%	\$ 48,172
West Prairie CUSD #103	McDonough	540	19	0.83%	\$ 10,058
Mendon CUSD #4	Adams	629	6	0.26%	\$ 3,176
Total		3,715	2,289	100.00%	\$ 1,211,702

Per Student Revenue \$ 529

*Based of FY24 Enrollment Reports, multiplied by % EAV within the County.

**Based of actual collections from Illinois Department of Revenue from 11/1/23-10/31/2024 less 2% collection fee.



WHAT IS THE REVENUE USED FOR?

The tax is distributed to school districts with students residing in the County and must be spent in the following ways:

- School Facilities Purposes
- Debt Issued for School Facilities Purposes
- School Resource Officers
- Mental Health Professionals



WHAT ARE “FACILITIES PURPOSES?”

- New Building Construction and/or Acquisition
- Land Purchases and Site Preparations
- Existing Facility Additions and Renovations
- Demolition and Asbestos Abatement
- Fire Prevention and Safety
- Disabled Accessibility
- Energy Efficiency
- Athletic Facility Upgrades



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WHAT ARE NOT “FACILITIES PURPOSES?”

- Salaries
- Operational Expenditures
- Textbooks or Classroom Supplies
- Moveable Equipment or Furniture
- Buses and Transportation
- Retirement and Pension Funding



SCHOOL FACILITIES FUNDING SOURCES



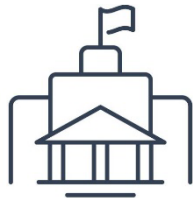
Bonds



Grants



1% County School Facilities Tax
(not passed in Hancock County)



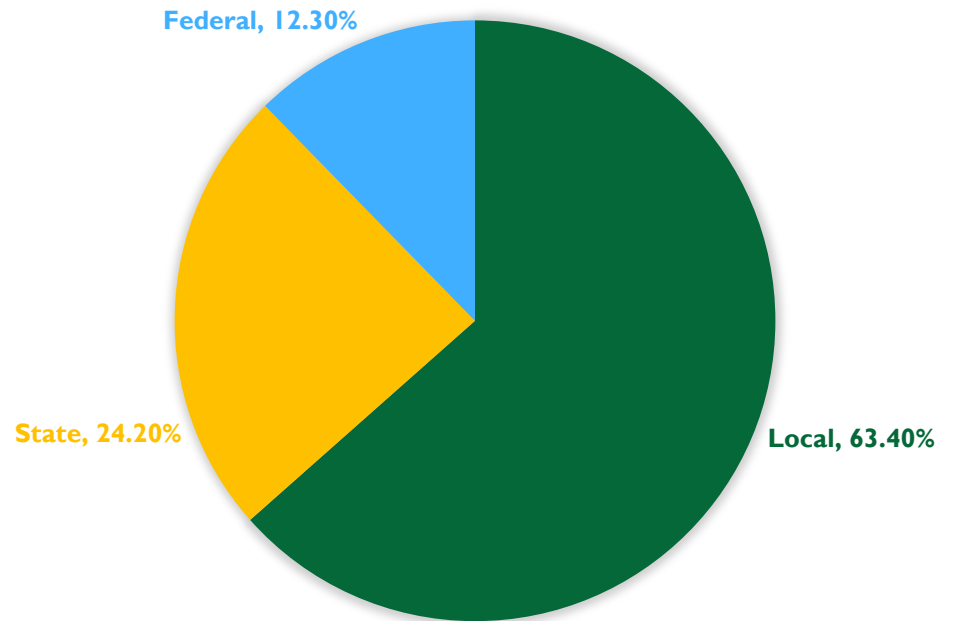
Health, Life, Safety Funds



WILL CSFT IMPACT PROPERTY TAXES?

IL SCHOOL DISTRICTS AVERAGE FUNDING SOURCES

Currently, with the lack of funding from Federal and State sources provided to school districts, there is a heavy reliance on local revenue sources, primarily property taxes, for facility upgrades and maintenance.



SOURCE: ILLINOIS REPORT CARD FY22



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COULD CSFT LOWER PROPERTY TAXES?

The CSFT revenue could be used to reduce property taxes in the following ways:

- Paying for future facilities projects with CSFT rather than Bonds on the property tax levy.
- Abating existing Bonds currently paid through property taxes.
- Lowering property tax levies for other operating levies (Operations and Maintenance or Health, Life Safety Funds) and supplanting the expenditures with CSFT revenue.



WHAT ABOUT THE FARM COMMUNITY?

- Property taxes are a rising cost for the farm community. The Illinois Department of Revenue determines the assessed value of farmland based on the Productivity Index (PI) of the soil type.

Certified Values for Assessment Year 2025 (\$ per acre)						
Average Management PI	Gross Income	Non-Land Production Costs	Net Land Return	Agricultural Economic Value	Equalized Assessed Value	* 2025 Certified Value
130	\$862.93	\$586.13	\$276.80	\$5,730.88	\$1,910.29	\$1,009.74
<i>The 5-year capitalization rate is 4.83 percent.</i>						

10% Increase of 2024 certified value at PI 111 is \$51.56

- Paying for future facilities projects with CSFT rather than property tax levies could reduce this property tax burden.
- Farm Equipment, Parts, and Inputs (seed, fertilizer, etc.) are exempt from paying the tax.

Source: Illinois Department of Revenue



EXAMPLE CSFT COLLECTIONS

- McDonalds Meal \$6 = 6¢
- County Market Groceries \$75 = 0¢ (not taxed, unprepared foods)
- Caseys Gasoline \$40 = 40¢
- Kwik Shine Car Wash \$10 = 0¢ (not taxed, services)
- Carson Ford New Car \$25k = 0¢ (not taxed, vehicles)
- Amazon \$65 = 65¢
- 5,000 lbs. Anhydrous Ammonia \$2,000 = 0¢ (not taxed, farm inputs)



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SUMMARY

- The 1% County School Facilities Tax will be on the ballot in the Spring of 2025. Voters will decide if the tax gets implemented or not.
- If passed, the tax will generate revenue to support school districts in Hancock County with facilities improvements, safety measures, and mental health services.
- CSFT will reduce the reliance on property taxes to fund these items that are inevitable expenditures in maintaining a healthy educational environment.

