

Option #3: Combined Income Tax & Property Tax Supported Borrowing

- The District could also consider combining both a **traditional** income tax and property tax
- Income taxes must be levied in 0.25% increments
- The below table shows the potential combined income tax and property tax issues that could be considered for an example \$30 million borrowing
- For example a 0.75% traditional income tax combined with a 4.40 mill property tax would support a \$30 million borrowing
- Each 0.25% earned income tax supports approximately a \$5.75 million borrowing & each 1.00 mill supports approximately \$2.5 million

Sample \$30 Million Combined Borrowing

Traditional Income Tax	Income Tax Supported	Property Tax Supported (Bond Issue)	Property Tax Millage*	Total Borrowing
0.25%	5,750,000	24,250,000	9.70 mills	30,000,000
0.50%	11,500,000	18,500,000	7.40 mills	30,000,000
0.75%	17,250,000	12,750,000	5.10 mills	30,000,000
1.00%	23,000,000	7,000,000	2.80 mills	30,000,000

* Assuming a 37 year maximum maturity and a 5% borrowing rate