

Income Tax Backed Borrowing

- According to the District's latest 5 year forecast the 1% traditional income tax brought in approximately \$1.4 million in 2016
- Income taxes must be levied in 0.25% increments
- The below table shows what increments of 0.25% in income taxes would bring
 - Assuming a 30 year Certificates of Participation (a type of capital lease) are issued at current market rates with a coverage ratio of 1.15x
- Using the above assumptions each 0.25% traditional income tax would support \$5.75 million in borrowing
- The below tables shows the size borrowing each 0.25% increment of a traditional income tax would bring in

Traditional Income Tax	Income Tax Supported
0.25%	5,750,000
0.50%	11,500,000
0.75%	17,250,000
1.00%	23,000,000