

Conversation about taxes in Fulton Kentucky

One of the things I have heard even before becoming superintendent is that Fulton Independent has an extremely high tax rate. This is one of the reasons that some of the community members have told me they favor merging the independent district with the county district. For the past six weeks, I have been doing a deep dive into the tax situation in Fulton. I have discovered some interesting findings. As you read this article you will see the three major types of taxes the district receives. These taxes apply to county and independent school districts and are assessed to all residents regardless of whether you live in an independent or county school district.

The first is motor vehicle tax. This is the tax you pay when you register your vehicle each year. The current tax rate for motor vehicles is 78 cents per \$100 of the vehicle value. For example, if your vehicle is worth \$10,000 then you would pay \$78 in tax. If your vehicle is worth \$40,000 then you would pay \$312 in tax. This tax rate has not changed much since the early 1990s and has not been raised in 24 years.

The second tax is property tax. This tax rate is 62.4 cents per \$100 of the property value. This means that if you own a home in Fulton that is worth \$100,000 you will pay \$624 in property taxes. It is estimated that only 20% of the homes in Fulton are valued at or above this price. In comparison, the same home in the county district would be taxed at 57 cents per \$100 with a tax bill of \$570. There is only a \$54 difference in the two tax rates. If you have a mortgage with escrow, that is approximately \$4.50 difference per month. If you study the above chart you will see that in the last ten years, Fulton Independent has lowered its tax rate by 13 cents while the county schools have increased their tax rate by 10.2 cents per \$100 assessed value. At the current tax rate, there is only a 5.4 cent difference compared to a 28.6 cent difference in 2014. This shows a commitment to our community. It is also important to mention that your independent school district voted not to raise taxes at all this year compared to the county raising taxes to the maximum amount possible.

The third is utility tax. This tax rate was set over thirty years ago at 4 percent. This is the same tax rate in nearly every school district in Kentucky. If the Fulton Independent school district disappeared, you would still pay the same amount, except to Fulton County schools. Another interesting fact is that our school district receives approximately \$241,000 in utility tax and pays approximately \$171,000 in utility bills, making the district one of the biggest supporters of our local utility company.

As you can see in the chart below, Fulton Independent has the lowest property tax rate of any independent school district west of Campbellsville. In fact, of the 51 independent

districts in Kentucky, there are only seven with a lower tax rate. Many people in our community want to compare our tax rate to that of surrounding counties, which is not a fair comparison. The city of Fulton is a fraction of the size of the county. The county district has 228.02 square miles of taxable land while Fulton Independent has only 2.98 square miles of taxable land. Compare that to the 253 square miles of taxable land in Hickman County. A similar comparison discrepancy is in population. Fulton County schools collect taxes from a population of 4,185 while our independent district taxes 2,357 citizens. It is much easier for a county school to have a lower tax rate because there is simply more property to tax.

School	Property Tax Rate
Fulton Ind.	62.4
Mayfield Ind.	67
Murray Ind.	71.9
Paducah Ind.	86.4
Dawson Springs Ind.	74.7
Owensboro Ind.	86.8
Russellville Ind.	82.7

If you own a home that is worth \$250,000 and two cars that are worth \$40,000 each, at the current tax rate, in the city limits, you will pay \$2,184 compared to paying \$1,870.60 in the county - an annual difference of \$313.40. The same can be said for a house that is worth \$65,000 and two cars worth \$10,000 each. You would pay \$561.60 in the city compared to \$482.04 in the county - a difference of \$79.56 a year. As you can see, there is really not that big of a difference between the taxes of our two school districts.

	Fulton Independent	Fulton County
\$250k home	\$1,560	\$1,425
\$40k vehicle	\$312	\$222.80
\$40k vehicle	\$312	\$222.80
Total Tax	\$2,184	\$1870.60
Difference	\$313.40 (\$26.11 per month)	

	Fulton Independent	Fulton County
\$65k home	\$405.60	\$370.50
\$10k vehicle	\$78	\$55.77
\$10k vehicle	\$78	\$55.70
Total Tax	\$561.60	\$482.04
Difference	\$79.56 (\$6.63 per month)	

It is important to know that even if Fulton Independent ceases to exist, the citizens of the city of Fulton will continue to pay taxes. They will pay taxes to the Fulton County school district. It is likely that the county district will raise taxes to support the influx of students into its district. If our school district closes, also think of the impact it will have on the city of Fulton. Our district is one of the city's largest employers, largest payers of tax, supports local businesses and utilities, and economically adds value to our city.

As you consider whether you want a merging of schools, please consider the facts about the tax rate and ask yourself if it makes a difference in your family budget. If tax concerns are your issue with having a local school district, I encourage you to reach out to me to discuss this issue. I am honored to be your superintendent and our team is working diligently to make Fulton Independent better than ever.

YEAR	Fulton Ind. Motor Vehicle Tax	Fulton Ind. Property Tax	Fulton County Tax Rate
1991	88.8	78.9	
1992	88.8	79.3	
1993	88.8	79.7	
1994	88.8	79.7	
1995	88.8	81.1	
1996	88.8	81.1	

1997	88.8	81.1	
1998	66.8	81.1	
1999	88.8	81.1	
2000	66.8	81.1	
2001	88.8	81.1	
2002	88.8	81.1	
2003	80	77	
2004	78	76	
2005	78	76	
2006	78	76	
2007	78	75.7	
2008	78	76	
2009	78	76	
2010	78	76	
2011	78	76	
2012	78	73.8	
2013	78	73.8	
2014	78	75.4	
2015	78	75.4	48.7
2016	78	75.4	51.2
2017	78	75.4	53.9
2018	78	75.4	53.6
2019	78	74.5	53.7
2020	78	74.5	55.2
2021	78	74.3	56.9
2022	78	73.3	54.9
2023	78	62.4	56.9
2024	78	62.4	57