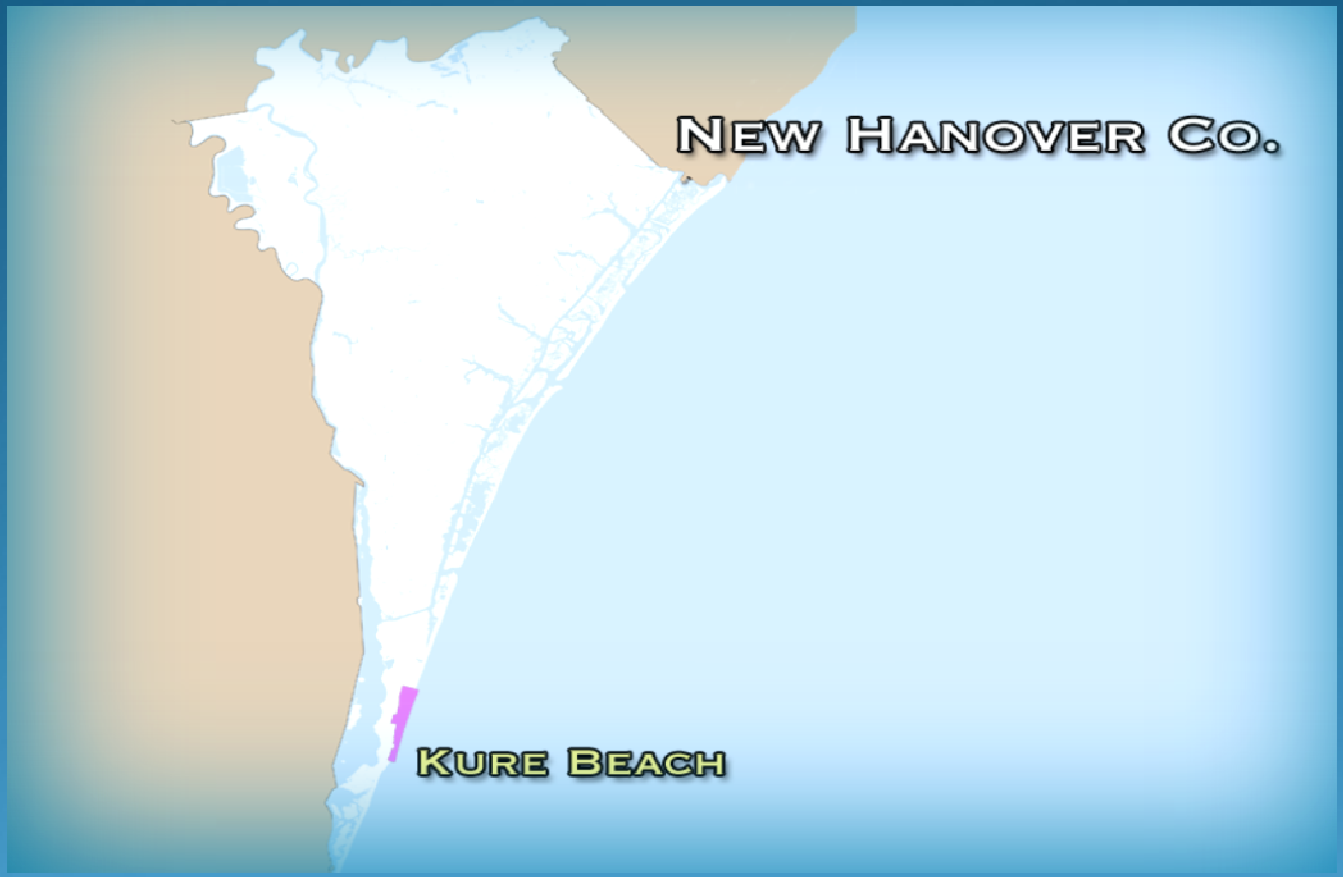

Sales Tax Methods of Distribution and Allocation Effect s on Kure Beach

Distribution…

- County levies sales tax & establish distribution method
  - Population (Per capita) Allocates the revenues based on the number of people in the jurisdiction.
  - Property tax (Ad Valorem) Allocates the revenues based on the tax levy of a jurisdiction.

Distribution

- All sales tax is remitted to the State.
- State distributes the taxes back to the local government bases on the method establish by the County.
- Important to note government does not get 100% of collections. FY 2006/2007, the State only sent 81% of the total tax collected here back to us.

Existing Distribution…….

- County utilizes the Property Tax method:

Jurisdiction	Tax Levy 2007 TR	Dist. %	Sales Tax
County	147,860,708	74.627	46,661,092
Carolina Beach	4,359,790	2.200	1,375,839
Kure Beach	**1,634,506**	**.825**	**515,808**
Wilmington	42,174,213	21.286	13,309,113
Wrightsville Beach	2,103,223	1.24	663,724
TOTAL	198,132,440	1.00	62,525,576

If Population Method is used…

Jurisdiction	Population 2007 Certified	Dist. %	Sales Tax
County	189,922	62.99	39,384,776
Carolina Beach	5,974	1.98	1,238,849
Kure Beach	**2,160**	**.72**	**447,927**
Wilmington	100,746	33.41	20,892,043
Wrightsville Beach	2,710	.90	561,982
TOTAL	301,512	100	62,525,576

Property Tax vs. Population Method

Jurisdiction	Property Tax Method	Population Method	Difference
County	46,661,092	39,384,776	(7,276,316)
Carolina Beach	1,375,839	1,238,849	(136,990)
Kure Beach	**515,808**	**447,927**	**(67,881)**
Wilmington	13,309,113	20,892,043	7,582,930
Wrightsville Beach	663,724	561,982	(101,742)
TOTAL	62,525,576	62,525,576	0

Property Tax Method
Proposed Annexation

Jurisdiction	Tax Levy	Dist. %	Sales Tax
County	147,860,708	74.03	46,287,603
Carolina Beach	4,359,790	2.183	1,364,827
Kure Beach	**1,634,506**	**.818**	**511,680**
Wilmington	43,772,917	21.916	13,703,055
Wrightsville Beach	2,103,233	1.053	658,411
TOTAL	199,731,144	1.00	62,525,576

Effects of Proposed Annexation

Property Tax Method

Jurisdiction	Existing Allocation	Proposed Allocation	Difference
County	46,661,092	46,287,603	(373,488)
Carolina Beach	1,375,839	1,364,827	(11,013)
Kure Beach	515,808	511,680	(4,129)
Wilmington	13,309,113	13,703,055	393,942
Wrightsville	663,724	658,411	(5,313)
TOTAL	62,525,576	62,525,576	0

County Mandated Services

- County required to provide for:
  - Public Schools
  - Community Colleges
  - Elections
  - Courts
  - Detention Center
  - Public Health
  - Social Services

Allocation….
Where does County Sales Tax go?

- EDUCATION
  - Schools & Community College 43.42%
- GENERAL GOVERNMENT
  - Includes Elections & Courts 9.89%
- SHERIFF'S OFFICE
  - Includes Detention Center 11.04%
- HUMAN SERVICES
  - Includes Health & DSS 20.29%

SUBTOTAL 84.64%

Other County Expenses…

• DEBT SERVICE	6.82%
• PUBLIC SAFETY	
◦ 911/Fire	4.23%
• ECONOMIC & PHYSICAL DEVELOPMENT	
◦ Planning & Inspections	0.42%
• CULTURAL & RECREATIONAL	
◦ Parks, Airlie, Museum, Library	3.41%
• TRANSFERS & CONTINGENCIES	0.48%
◦ **SUBTOTAL**	**15.36%**

- Any erosion of this major revenue source could result in:
  - Reduce services to our citizens
  - Increased property tax
  - Alternative revenues
    - Land transfer tax
    - Additional ¼ cent sales tax

Questions?