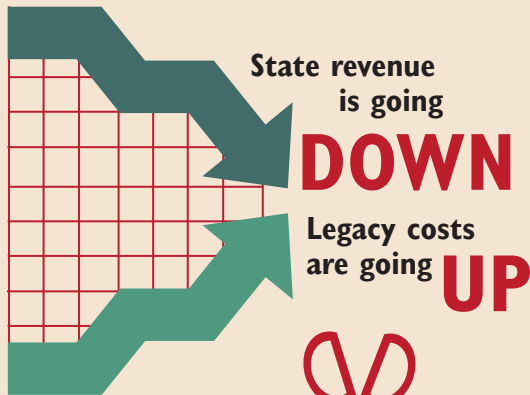


CITY OF EAST LANSING

2017 INCOME TAX & PROPERTY TAX REDUCTION

GENERAL ELECTION BALLOT PROPOSALS • 11/7/2017

WHY HAS IT BEEN PROPOSED?



The overall size of City of EL government has been cut.

130 positions have been **eliminated** since **2007**

In the last **10 YEARS** there has been **NO GROWTH** in General Fund revenue.

There has been a **-1.3% change** from **2006** to **2017**



WHO WOULD PAY THE INCOME TAX?



RESIDENTS: 1%

Whether they work in East Lansing or another community.

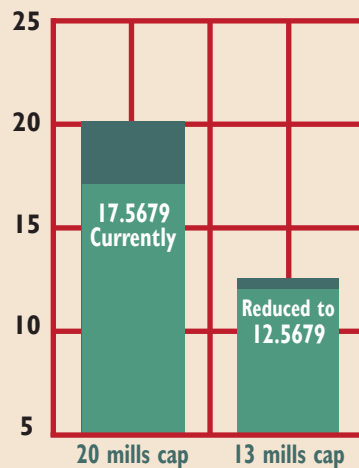


NON-RESIDENTS: 0.5%

Working in East Lansing.

WHAT WILL THE PROPERTY TAX REDUCTION DO?

The property tax reduction will **minimize the impact** of the estimated income tax paid by residents and, in some cases (i.e. retirees exempt from the income tax), decrease the overall amount of taxes paid.



If the property tax reduction proposal is approved by voters, the City Charter would be amended, permanently lowering the City's ability to levy property taxes, **not to exceed 13 mills (currently 17.5679 mills and cannot exceed 20 mills)** in any year an income tax is collected. This will result in a minimum reduction of 4.5679 mills; however, it is Council's intent to levy less than that and **reduce the actual amount levied by 5 mills to 12.5679 mills.**



Find out more by visiting:
cityofeastlansing.com/incometax

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HOW WOULD THE \$ BE USED?

MAINTAIN QUALITY SERVICES

INVEST IN AGING INFRASTRUCTURE

PREVENT ADDITIONAL CUTS

Public Safety makes up **64.8%** of the City's general fund expenditures.

COVER LEGACY COSTS

IMPACT ON SENIORS

Many seniors/retirees will see a decrease in property taxes if both ballot proposals pass as non-taxable income includes all retirement income: social

59½

security, pensions, 401K, annuities, IRA distributions after age 59 ½ and more.

Other non-taxable income includes:

- **unemployment income**
- **military pay**
- **tax refunds** (city, state and federal)
- **and more**

TAXPAYER IMPACT EXAMPLE

The example below illustrates the residential taxpayer impact if both ballot proposals pass. It uses East Lansing's average gross household income (\$67,926) and the average taxable value for improved residential parcels (i.e. parcels with a dwelling) in 2017 (\$83,500). View the Taxpayer Impact Charts and Calculator at cityofeastlansing.com/incometax for the taxpayer impact at other levels of income and taxable value. The income tax will be deductible on federal tax returns.



Income Tax on East Lansing's Average Gross Household Income

$$\$67,926 \times .01 = \$679.26^*$$

*This does not factor in exemptions. With \$600 for exemption deductions, the tax would be \$673.26 for one exemption, \$667.26 for two exemptions, \$661.26 for three exemptions, \$655.26 for four exemptions, etc.



Annual Taxpayer Impact w/ One Exemption at \$600

$$\$673.26 - \$417.50 = \$255.76$$

(\$21.31 per month & \$4.92 per wk)



5 Mill Property Tax Reduction on East Lansing's Average Taxable Value for Improved Residential Parcels in 2017

$$\$83,500 \times .005 = \$417.50$$

More info:

cityofeastlansing.com/incometax

