



FY 2019 Recommended Budget Budget Question

Board Question #: 50

BUDGET QUESTION: Why was the Business Furniture & Fixtures Personal Property tax rate increased from \$5.00 to \$5.95 for calendar year 2009? How much revenue would be lost if we were to lower it to \$5.00 again?

RESPONSE: The following is an excerpt from the FY 2010 Budget document explaining the increase in the Personal Property tax rates for calendar year 2009:

“Changes in the National Automobile Dealers Association (NADA) guide values resulted in the 2009 assessed value of vehicles being 21 percent less than the 2008 assessed value of vehicles, on average, yielding an \$8.8 million decrease in tax receipts from personal property in FY 2010. Likewise, FY 2009 estimated receipts (June 2009 collections) would be reduced by approximately \$4 million. To offset these estimated declines in assessed value, the County Administrator recommended equalizing the current personal property tax rate of \$5.00 per \$100 at 50 percent of assessed value to \$6.33 for vehicles (including planes, boats, campers, motor homes, motorcycles, pickups, trucks, and trailers), and \$5.95 for business furniture and fixtures. At these recommended “equalized” rates, revenue in FY 2010 would have been equal to the revenue in FY 2010 at the existing \$5.00 rate had property values not declined. The Board approved the personal property rate at \$6.26 for vehicles and \$5.95 for business furniture and fixtures. All other personal property tax rates remain at the 2008 approved level.”

If the Business Furniture & Fixtures Personal Property rate were reduced from \$5.95 to \$5.00 for calendar year 2018, the revenue loss would be \$1.3 million.