



0.3% SALES TAX INITIATIVE

VOTE NOVEMBER 5

INFRASTRUCTURE FUNDING

The City has proposed a sales tax rate increase of 0.3% to fund six major infrastructure projects (described on back). The City Commission passed a resolution prioritizing these six projects.

6
projects

PULL FACTOR

25% of all sales in Manhattan are from people who live outside the community. Increasing sales tax vs property tax means people who visit the community will help pay for infrastructure.

25%

GENERATE NEW REVENUE

The 0.3% increase will generate \$3.3 million in the first year, and finance the six projects over the next 30 years. This will reduce the impact of the property tax burden on City taxpayers.

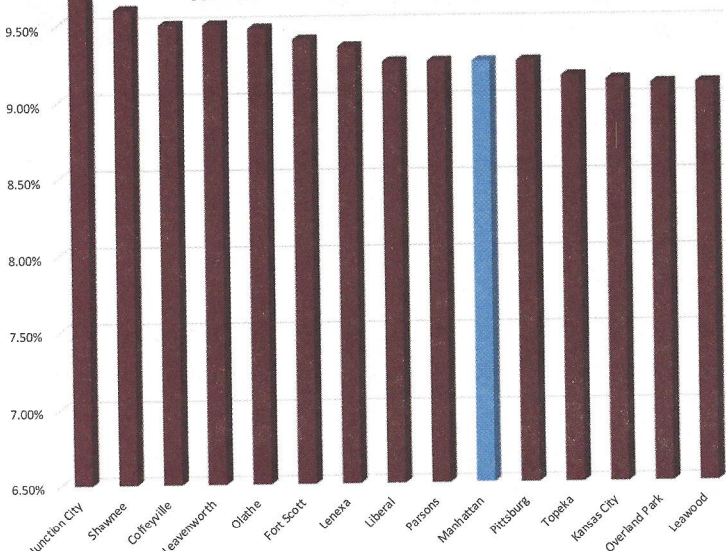
\$3.3
million
in the first year

NEW SALES TAX RATE

The current sales tax rate in Manhattan is 8.95%. The question to increase the sales tax rate by 0.3% will be on the November 5th election ballot.

9.25%

NEW RATE OF 9.25% PLACES MANHATTAN 10TH AMONG THE 25 FIRST CLASS CITIES IN KANSAS



Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to impose an additional three tenths of one percent (0.3%) general retailers' sales tax, thereby increasing the general sales tax currently in effect, on all applicable retail sales occurring within the City, pursuant to the authority of K.S.A. 12-187 et seq., to be used for all lawful expenditures of the City and intended to reduce the impact on the ad valorem property tax burden on City taxpayers with collection of such tax beginning on April 1, 2020, or as soon as provided by law?

Yes

No

Pass/Fail

If the sales tax ballot question fails, these projects (flood protection, runway rehabilitation, economic development opportunities) will remain high priorities for the community. City staff will likely recommend other revenue alternatives to finance the projects (i.e. property taxes, utility fees). The impact of other revenue alternatives will fall entirely upon local residents without the assistance of visitors.

Some projects may be scaled back or delayed, which could cost taxpayers more over time and reduce the benefits gained by the community. Reduction in project scope could also result in loss of committed funding from outside sources.

IMPACT OF SALES TAX INCREASE

	Revenue in 1 year	\$150 grocery bill	\$500 TV
Current Sales Tax 8.95%	\$11M	\$13.42	\$44.75
0.3% Increase (9.25%)	+ \$3.3M	+ \$0.45	+ \$1.50



City Manager's Office 785-587-2404
www.CityofMHK.com/SalesTax