

## LU-T LEVY FACT SHEET

History: The Liberty Union-Thurston School District currently receives revenue through a one and three-quarter percent income tax. The one and three-quarter percent total comes from two separate tax issues. In 1990, voters approved a one and one-quarter percent “permanent” school income tax. In 2005, voters approved an additional half-percent income tax, for a five-year period. The half-percent portion will expire in 2010. On May 4, 2010, district voters will be asked to approve a five-year renewal of the half percent income tax. Voter approval of the tax issue in May would mean that the school income tax rate would remain the same (one and three-quarter percent) through calendar year 2015.

### FREQUENTLY ASKED QUESTIONS

Q: Is the tax issue for operating expenses or for building construction expenses?

A: Revenue from the school district income tax has been and will continue to be for operating expenses.

Q: What is being taxed; all income or “earned income” only?

A: All income is taxed.

Q: Can the half-percent income tax be changed to “earned income” only, leaving the one and one-quarter “permanent” portion of the income tax as an “all income” tax?

A: No. School district income tax may not be divided into different “types” of income tax.

Q: Will taxes go up if renewal of the half-percent income tax is approved by voters in May?

A: Voter approval of the half-percent income tax renewal will keep tax rates the same as they have been for the past five years. Due to the nature of “income tax”, each individual person’s tax obligation depends on that person’s earnings during the year. If an individual’s earnings have increased, there would be an increase in tax owed. If a person’s income has been reduced, there would be a reduction in tax owed.

Q: What are the revenue projections for the school district income tax?

A: The Ohio Department of Taxation has projected that our school district should expect a ten to twelve percent reduction in income tax revenue due to the economy. The Ohio Department of Taxation projects the dollar amount from the half-percent income tax to be \$630,000 per calendar year.