

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY 1999-00	Revised Estimate FY 2000-01	Projected Receipts FY 2000-02	Percent Change
Earnings Tax	\$117,304,729	\$123,065,000	\$126,600,000	2.9%
Sales Taxes	48,134,756	50,190,000	51,560,000	2.7%
Property Tax	38,023,302	40,945,000	41,634,000	1.7%
Payroll Expense Tax	31,434,827	33,945,000	35,200,000	3.7%
Franchise / Utility Taxes:				
Electricity	23,101,976	23,400,000	23,200,000	-0.9%
Natural Gas	6,159,736	9,500,000	9,000,000	-5.3%
Telephone	11,467,136	11,200,000	11,000,000	-1.8%
Water	3,883,379	4,000,000	4,000,000	0.0%
Airport	5,163,580	5,300,000	5,200,000	-1.9%
All Other franchise fees	637,344	924,000	774,000	-16.2%
Subtotal	50,413,151	54,324,000	53,174,000	-2.1%
Intergovernmental Revenues:				
Gasoline Tax	10,552,422	10,300,000	10,300,000	0.0%
Health Care Payments	2,126,261	1,811,000	1,911,000	5.5%
Prisoner Housing Reimbursement	4,517,117	5,400,000	5,400,000	0.0%
Motor Vehicle Sales Tax	3,670,827	3,800,000	3,950,000	3.9%
Intangible Tax	273,836	430,000	500,000	16.3%
Subtotal	21,140,463	21,741,000	22,061,000	1.5%
Licenses:				
Graduated Business License	8,085,667	8,100,000	8,100,000	0.0%
Cigarette Occupational License	2,223,187	2,000,000	1,904,000	-4.8%
Sports and Amusement	4,331,019	6,934,000	7,154,000	3.2%
Automobile	1,500,022	1,425,000	1,425,000	0.0%
Parking Garages and Lots	2,442,803	2,500,000	2,600,000	4.0%
Liquor	403,563	409,200	409,200	0.0%
Other Licenses	996,145	428,800	376,800	-12.1%
Subtotal	19,982,406	21,797,000	21,969,000	0.8%

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Revenue Category	Actual Receipts FY 1999-00	Revised Estimate FY 2000-01	Projected Receipts FY 2000-02	Percent Change
Departmental Revenues:				
Fines and Forfeits	8,633,334	6,776,000	8,351,000	23.2%
Building and Occupancy Permits	3,868,640	3,598,000	3,483,000	-3.2%
Departmental User Fees & Other	22,403,072	24,663,000	25,820,000	4.7%
Subtotal	34,905,046	35,037,000	37,654,000	7.5%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts ¹	4,900,000	5,000,000	5,000,000	0.0%
Restaurant Gross Receipts - 1 cent ¹	3,400,000	3,800,000	4,300,000	13.2%
Restaurant Gross Receipts - 1/2 cent	1,955,949	2,100,000	2,200,000	4.8%
Subtotal	10,255,949	10,900,000	11,500,000	5.5%
All other revenues and transfers	2,147,552	1,775,000	2,050,000	15.5%
Subtotal	2,147,552	1,775,000	2,050,000	15.5%
TOTAL GENERAL FUND REVENUES	\$373,742,181	\$393,719,000	\$403,402,000	2.5%

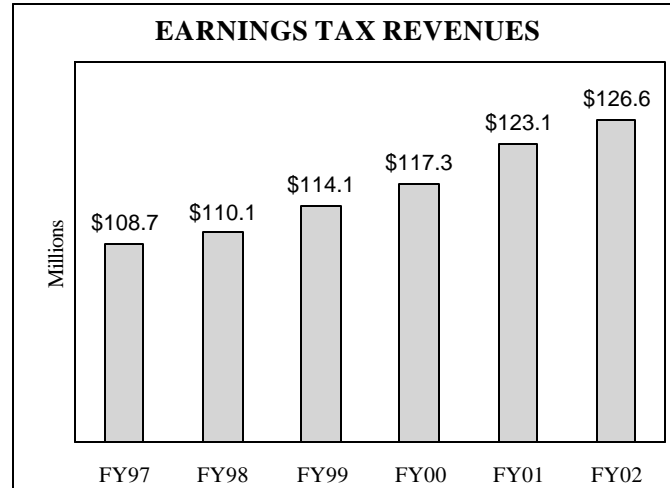
¹ Transfers from convention and sports facility trust fund and convention and tourism fund respectively

EARNINGS TAX

Definition

A one percent tax levied against employee gross compensation and business net profits.

The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the city limits.



Discussion

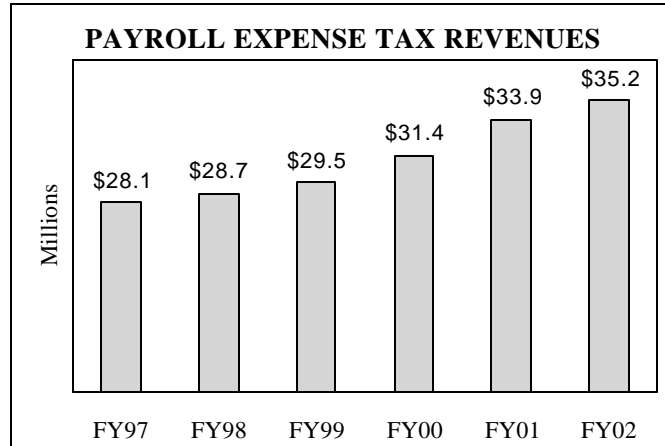
The city earnings tax is the most significant single source of general fund revenues, comprising nearly one-third of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

Revenues are projected to increase by about 2.8% in FY02, a growth rate that is slightly lower than that experienced over the last five fiscal years.

PAYROLL EXPENSE TAX

Definition

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.



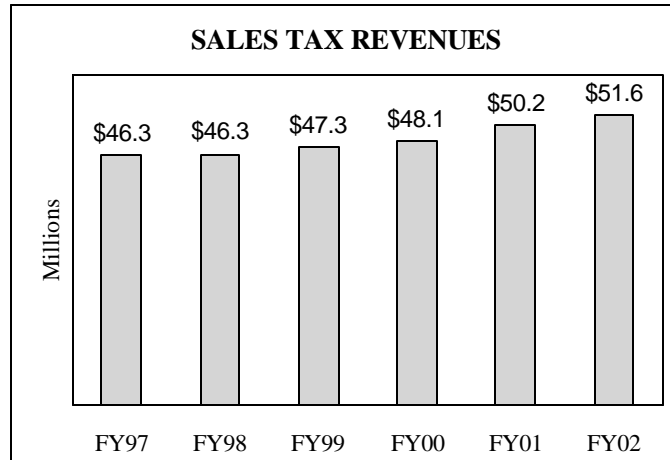
Discussion

The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Revenue from this source is expected to increase by 3.8% in FY02

SALES TAX

Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



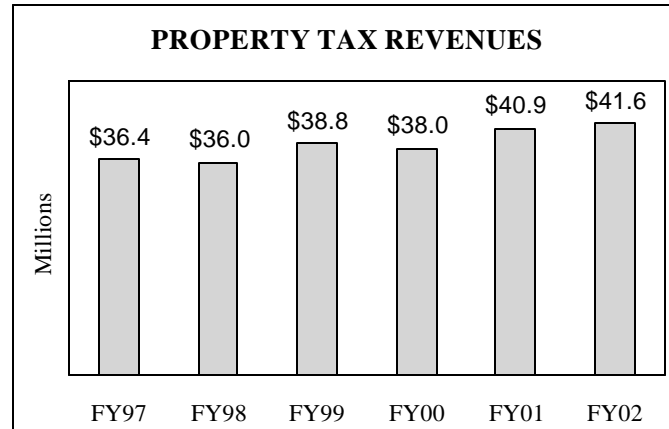
Discussion

The chart above shows the collections history of the city's 1.375% local sales tax beginning with the first full year of collections in 1995. Following a period of low growth, receipts have been experiencing consistent growth in recent years. Revenue from sales tax in FY02 is forecast to increase at a rate of 2.8%.

REAL AND PERSONAL PROPERTY TAXES

Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.325 per \$100 assessed value



Discussion

Real and personal property tax revenues are distributed to the following taxing jurisdictions.

State	\$ 0.030
Schools	\$ 4.300
Junior College	\$ 0.240
Library	\$ 0.560
Zoo, Museum, Garden District	\$ 0.232
Sewer District	\$ 0.090
Sheltered Workshop	\$ 0.150
Community Mental Health	\$ 0.090
City - General Purposes	\$ 1.453
City - Public Debt	\$ 0.180
TOTAL	\$ 7.325

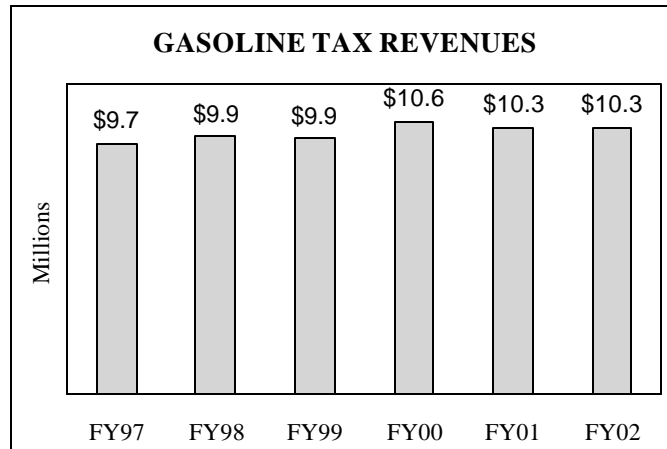
Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax.

GASOLINE TAX

Definition

A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.



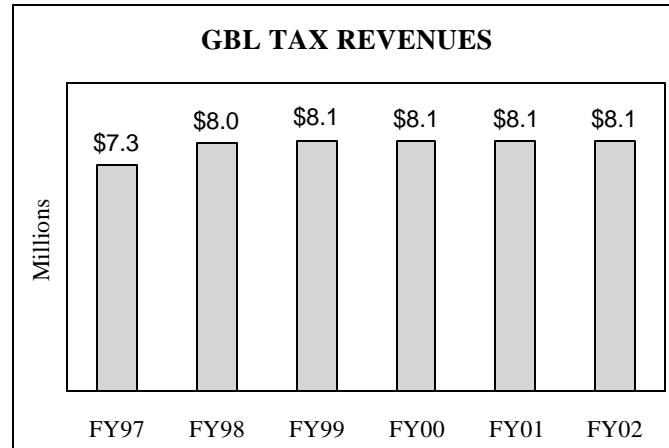
Discussion

The gasoline tax rate is \$0.17 per gallon. In 1992, the tax rate increased by \$0.02 per gallon. Additional \$0.02 per gallon increases followed in 1994 and 1996. Each of these changes added about million dollars to the City's share of gasoline tax revenues. In addition, the City receives a share based on its status as both a city and a county. The new "county" share is worth approximately \$500,000 in the current fiscal year. A portion of the additional revenues, currently \$1,750,000, is dedicated to the Capital Improvements Fund for street and bridge projects.

GRADUATED BUSINESS LICENSE TAX

Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



Discussion

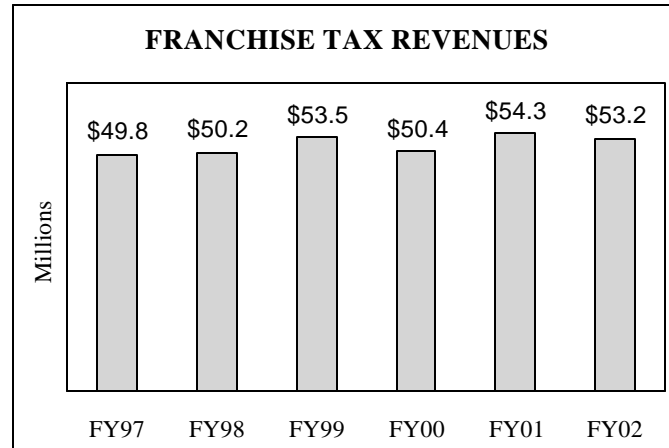
The graduated business license tax and provides a consistent source of revenue of about \$8.0 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

<u>Number of Employees</u>	<u>GBL Tax</u>
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

FRANCHISE TAX

Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission. Recent increases in the cost of natural gas resulted in significantly higher revenues from natural gas taxes in FY01. Projections for FY02 incorporate some of these higher cost trends in the revenue base.