

If approved, what will the sales and use tax proceeds be used for?

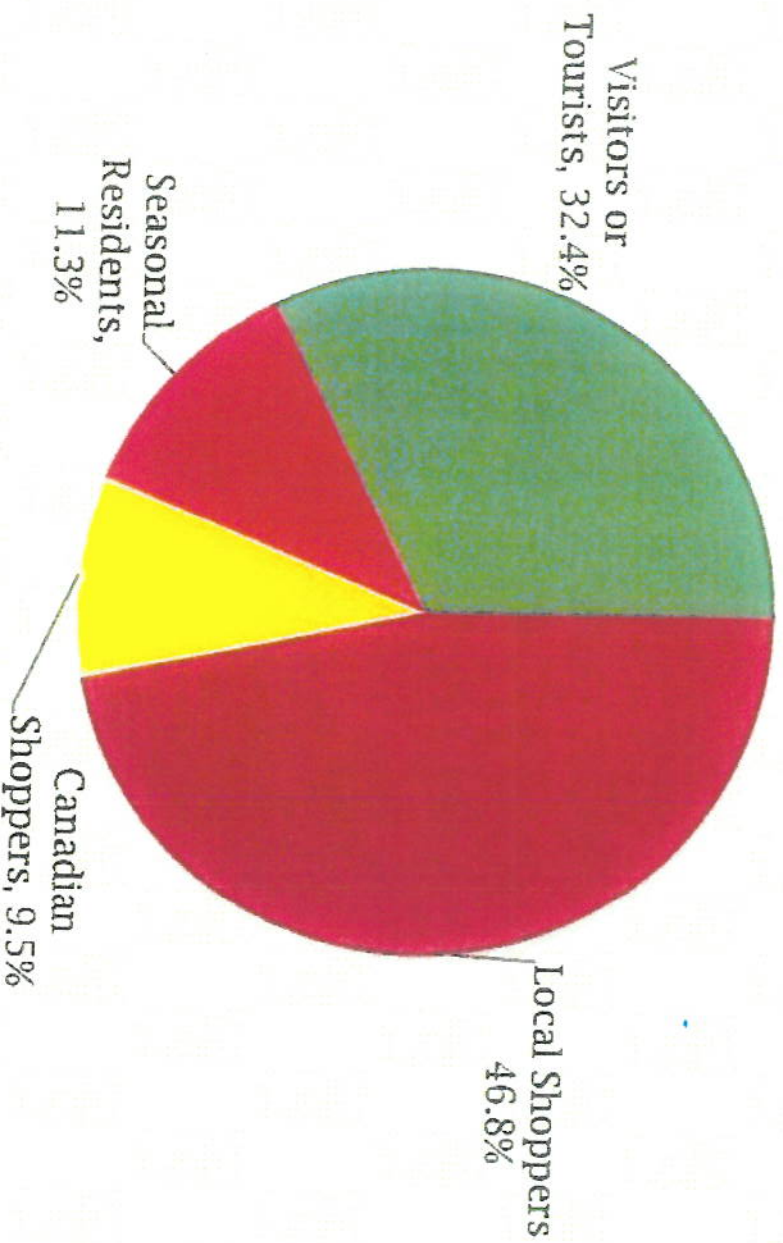
The tax will pay for needed improvements and upgrades to the public infrastructure in the City.

This infrastructure includes:

- Streets and alleys
- Curb and gutter
- Sidewalks and trails
- Streetlights
- Sanitary sewer mains and lift stations
- Water mains
- Storm water drainage and ditches
- Water towers
- Local costs for the U.S. Highway 53 reconstruction project of 2020

This tax cannot be used for other purposes. Everything that is exempt from the state sales tax such as food, clothing, and medicine will also be exempt from paying the local sales and use tax (see attached list).

BUSINESS OWNER PERSPECTIVES



City of International Falls, Minnesota
Preliminary Street & Utility Financing Scenarios

Property Tax Alternative

Question: *If the City levied \$800,000 in property taxes each year to pay for infrastructure improvements (rather than have a 1% sales and use tax), how much would my property taxes increase each year?*

Answer: See the amount in the table to the right that corresponds to the value of your buildings and property as set by the County Assessor.

Example: \$100,000 home market value equals a \$195.46 increase in property taxes for the year.

TAX LEVY REVENUE	
Annual Tax Levy Required	\$ 800,000
Tax Impact Information	
Net Tax Capacity Value (Pay 2017)	\$ 2,937,068
Estimated Net Tax Rate Increase	27.2380%
Market Value of Residential Property	
50,000	\$ 81.71
75,000	\$ 122.57
100,000	\$ 195.46
125,000	\$ 266.68
150,000	\$ 343.91
175,000	\$ 418.13
200,000	\$ 492.35
250,000	\$ 640.80
300,000	\$ 789.25
Market Value of Commercial-Industrial Property	
50,000	\$ 204.29
100,000	\$ 408.57
250,000	\$ 1,157.62
500,000	\$ 2,519.52
750,000	\$ 3,881.42