

**Kildeer Non-Home Rule Sales Tax Referendum
Frequently Asked Questions**

When is the referendum question being asked?

The following Non-Home Rule Sales Tax Referendum Question will appear on the ballot during the general election of Tuesday, March 20, 2012:

Shall the Village of Kildeer be authorized to impose a Municipal Retailers' Occupation Tax and a Municipal Service Occupation Tax at a rate not to exceed 1/2 of 1% on expenditures for municipal operations, expenditures on public infrastructure or for property tax relief?	YES	NO
	___	___

Why does the Village need an increase in the retail sales tax rate?

The Village of Kildeer is experiencing rising infrastructural and capital costs that outpace the increase in revenues. Although the Village is constantly reviewing its cost structure and seeking ways to improve efficiencies, the Board of Trustees has determined that additional revenues will be needed to maintain the quality of Village services and improve the Village's aging infrastructure. Your approval will make this possible.

What type of revenue is needed?

The one-half percent (0.5%) Non-Home Rule Sales Tax would provide needed revenue for infrastructure projects.

When would the tax increase take effect?

July 1, 2012.

Doesn't most of my sales tax go to the Village now?

No. Only 1% Of the 7% Sales Tax now imposed upon shoppers is received by the Village of Kildeer. The State of Illinois receives 5%, the Regional Transportation Authority receives 0.75%, and Lake County receives 0.25%.

Is sales tax the same in all villages?

No. The current tax rate in neighboring communities ranges from 7% (Kildeer) to 10.5%. For example, in Lake Zurich the sales tax rate is 7.5%. In Long Grove and Mundelein it is 8%. In Deer Park the rate is 7.25% and in Barrington it is 9%. A shopping trip to Woodfield Mall in Schaumburg will cost you 10.5% in sales tax.

How much money will it raise?

The one-half percent (0.5%) increase would generate an estimated \$500,000 for Kildeer annually.

How will the additional revenue be used?

The revenues can be used for infrastructure related projects and operations. Infrastructure items include street reconstruction and re-surfacing.

Are Kildeer roads so bad that a sales tax is needed?

All roads deteriorate with time. Needed street resurfacing and reconstruction projects are behind schedule now and every year infrastructure improvements fall further behind due to insufficient funds. Without additional resources, roadway improvements will fall behind even further adversely impacting the smoothness and appearance of the roads. It is important to have adequately maintained roads to keep Kildeer a desirable residential community and to prevent home values from dropping.

How will the increase affect a shopping bill?

A shopper purchasing \$50 worth of goods would pay an additional twenty-five cents.

Who will pay the sales tax increase?

A substantial amount of the additional tax revenues will be generated by non-residents. It is estimated that visitors make up much more than 50% of the shoppers in the Village. Since the one-half percent increase is modest and in line with surrounding villages, it is not expected that Kildeer residents or visitors will be deterred from shopping in the Village.

Does the increase affect all goods and services?

No. The Non-Home Rule Sales Tax increase applies only to non-titled or non-registered personal property. It does not apply to the sale of unprepared food purchased at a grocery store or prescription and non-prescription drugs. The price of services are not subject to sales tax.

<i>Examples of Included Taxable Items</i>	<i>Examples of Excluded Items Not Taxed</i>
<ul style="list-style-type: none"> • Gasoline • Cleaning Supplies • Alcohol • Household Hardware • Toiletries • Tobacco • Cosmetics • Car Parts • Dine In & Carry Out • Catered Foods • Soft Drinks • Laundry Detergent • Pet Foods & Supplies • Clothing 	<ul style="list-style-type: none"> • Groceries & food purchased for later consumption • Prescriptions, non-prescription, and over the counter products such as aspirin, medicated products, etc. • Vehicles, R.V.'s, boats, snowmobiles, trailers, and other items titled and registered by a State agency • Service occupations such as laundry and dry cleaning, video rental • Any labor or service where no property exchanges hands • Professional Services such as Attorneys and Accountants

What will happen if the referendum fails to pass?

Without the additional revenue, road improvement projects will be delayed and Village services will need to be reduced. The appearance of Village may change if streets deteriorate and the time it takes to fund repairs increases.

Is the sales tax increase necessary for Kildeer?

Voters will decide! The members of the Village Board think it is necessary and the added revenue will help preserve road safety, street appearance, and the overall quality of life in the Village.