

**Income Tax Amount vs Property Tax Reduction Amount  
Using Plante & Moran Study - October 30, 2016**

	<u>\$600 exemption</u>		<u>\$3,000 exemption</u>
Average Gross Income (per study)	67,926		67,926
Assume 3 exemptions (based on population/# returns)	<u>1,800</u>		<u>9,000</u>
Taxable Income (subject to City tax)	66,126		58,926
<b>1% Income Tax (Resident)</b>	<b>\$ 661.26</b>		<b>\$ 589.26</b>
Average Gross Income (per study)	67,926		67,926
Assume 4 exemptions	<u>2,400</u>		<u>12,000</u>
Taxable Income (subject to City tax)	65,526		55,926
<b>1% Income Tax (Resident)</b>	<b>\$ 655.26</b>		<b>\$ 559.26</b>
Average Gross Income (per study)	67,926		67,926
Assume 2 exemptions	<u>1,200</u>		<u>6,000</u>
Taxable Income (subject to City tax)	66,726		61,926
<b>1% Income Tax (Resident)</b>	<b>\$ 667.26</b>		<b>\$ 619.26</b>
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Average Taxable Value (residential, per Dave Lee)	84,851	84,851	84,851
<b>Millage rate reduction</b>	<b>\$ 424.26</b>	<b>\$ 445.47</b>	<b>\$ 475.45</b>
	5.00 mills	5.25 mills	5.6034 mills per FHT recommendation
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	<u>\$600 exemption</u>		<u>\$3,000 exemption</u>
<b>Increase to Taxpayer with Income Tax and Reduction to Property Tax:</b>			
Average home/income with 3 exemptions (5.00 millage reduction)	\$ 237.01		\$ 165.01
Average home/income with 3 exemptions (5.25 millage reduction)	\$ 215.79		\$ 143.79
Average home/income with 3 exemptions (5.6034 millage reduction)	\$ 185.81		\$ 113.81
Average home/income with 4 exemptions (5.00 millage reduction)	\$ 231.01		\$ 135.01
Average home/income with 4 exemptions (5.25 millage reduction)	\$ 209.79		\$ 113.79
Average home/income with 4 exemptions (5.6034 millage reduction)	\$ 179.81		\$ 83.81
Average home/income with 2 exemptions (5.00 millage reduction)	\$ 243.01		\$ 195.01
Average home/income with 2 exemptions (5.25 millage reduction)	\$ 221.79		\$ 173.79
Average home/income with 2 exemptions (5.6034 millage reduction)	\$ 191.81		\$ 143.81

**Effect to the City - Millage Reduction and Income Tax**

<b>Estimate of Property Tax Revenue Reduction - Operating Millage</b>	\$	4,839,300	5.00 mills
<i>using only parcels charged the City operating millage</i>	\$	5,081,300	5.25 mills
<i>TV of 967,868,713 - not factoring out TIF's and 425 amounts</i>	\$	5,423,400	5.6034 mills per FHT recommendation
<i>would be less of a reduction after TIF's, but would reduce the DDA and BRA captures used elsewhere in the City</i>			
<b>Estimate of Income Tax Potential to General Fund</b>	\$	9,969,100	\$600 exemption
<i>using the Plante Moran income tax study numbers</i>	\$	8,448,400	\$3,000 exemption, as an alternative comparison

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**Net Revenue Increase:**

\$600 exemption with 5.00 millage reduction	\$	5,129,800
\$600 exemption with 5.25 millage reduction	\$	4,887,800
\$600 exemption with 5.6034 millage reduction	\$	4,545,700
\$3,000 exemption with 5.00 millage reduction	\$	3,609,100
\$3,000 exemption with 5.25 millage reduction	\$	3,367,100
\$3,000 exemption with 5.6034 millage reduction	\$	3,025,000