



HOW YOUR PENNY WORKS

What is a Local Option Sales Tax?

Local Option Sales Tax is the state authorized sales tax on retail purchases used by counties to raise money for certain projects. Experts often consider a local option sales tax as the most equitable tax because everyone pitches in, not just the homeowners as with a property tax. Voters can choose whether to approve or to extend a local option sales tax.

Local Option Sales Tax in Escambia County

A local option sales tax is not new to Escambia County. The first local option sales tax was approved in March 1992, with citizens voting to extend the present one-cent sales tax in May of 1997. Escambia is currently proposing an extension on the local option sales tax to 2017. Voters will decide on March 7, 2006.

How is the money used?

Funds generated are extremely important to maintaining and enhancing the quality of life in Escambia County as funds raised are used to help maintain and expand our infrastructure. Local option sales tax funds are for "Capital Projects" such as:

- ✓ Paving roads
- ✓ Improving drainage systems
- ✓ Fire, law enforcement and public safety services
- ✓ Building libraries, sidewalks, community centers, parks and recreational facilities
- ✓ New and improved court systems, community services and public facilities

How does the public know funds are being spent correctly?

Local Option Sales Tax funds can be used for capital projects, which may be new projects or projects that fix existing problems. Florida law protects the funds raised by requiring a spending plan be approved at the same time the tax is approved by voters. In addition, all sales tax revenue must be kept separate from other county funds. Elected officials are held accountable for spending the revenues as advertised. Citizens are also kept informed about the progress of projects through frequent "report card" publications that are produced and distributed by the county.

QUICK FACTS

- Escambia is one of 58 counties in Florida that has a local option sales tax.
- The average local option sales tax in Florida is .94%. Nine counties do not have a local option sales tax.
- Escambia County has a total rate of 1.5%, 1% is split between the county & the City of Pensacola and .5% goes to the Escambia County School Board.
- Visitors and tourists to our county pay an estimated 34% of the total tax collected, more than \$100,000,000.
- Projects are authorized by voters in a referendum.
- Spending is limited to infrastructure projects with a life of at least 5 years.

*For more information on Escambia County's Local Option Sales Tax please contact:
Escambia County Office of Public Information & Communications at (850)595-3476
or visit www.myescambia.com*

