Revenues Sources, Assumptions and Trends

The following is a summary of major revenue sources, trends, and assumptions for the FY 2017 Adopted Budget:

**SALES TAXES** – The City receives two types of sales taxes – one from the State of Illinois and another from a sales tax imposed through the City’s home-rule status. Both the State tax (retailers’ occupation tax- a.k.a. ROT) and the home rule tax rates are 1%, although the home rule tax is not assessed on “listed” property such as vehicles and most grocery food items and medications. Based on multi-variant revenue projections, the State sales tax budget for FY 2017 is anticipated to be $10.9 million and the home rule sales tax budget $6.6 million.

**INCOME TAX** – Income tax is a State shared tax that is distributed on a per capita basis and is based on the average income statewide. Based on the year-to-date actual receipts and Illinois Municipal League (IML) estimates, staff anticipates receiving approximately $7.8 million in income tax revenues.
REAL ESTATE TRANSFER TAX – The real estate transfer tax is imposed at $5 dollars per $1,000 increment of value on the sale or transfer of real estate in the City less certain exemptions as specified per City code. Real estate transfer tax revenues were budgeted based on year-to-date receipts in conjunction with an analysis of regional real estate sales trends. In 2016 the City received its largest property tax transfer stamp on record for a house sale of $4.9M.

WATER REVENUES – Water revenues from Evanston’s water utility customers are expected to remain fairly constant from the prior year. This revenue is almost entirely dependent on water consumption with weather playing a major role, especially during the summer. Evanston water sales in FY2016 saw revenue increases due to sales to the City of Des Plaines.
SEWER REVENUES – This revenue is billed based on water consumption and the two revenues often go hand in hand. It is important to note that this revenue, unlike water, is not assessed to those communities outside of Evanston that purchase Evanston water.

PARKING REVENUES – The City owns and operates parking meters, lots, and three major garages, which combined, will generate an estimated $6.6 million in revenues in FY 2016.