

Tax/Finance

Tax/Finance Task Force Committee Report
September, 2017

As of 9/21/2017

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DETAILS	UNINCORPORATED	INCORPORATED (All estimates below from Andrew Young Study to be verified)	Tax/Finance Study Committee Estimates
Structure	Property Tax: The Chatham County Board of Assessor's (BOA) appraisal staff determines and makes recommendations to the BOA who approves the values.		
Funding Sources:			
Property Tax (Ad Valorem Taxes)	Counties & cities are authorized by state constitution to levy & collect a general ad valorem property tax on real property, personal property, inventoried goods of a business, and on intangible property. Georgia law generally requires that tangible real and personal be assessed at 40% of fair market value. Rate is stated in terms of mills with 10 mills equal to 1% of assessed value. Taxes due is the tax rate multiplied by assessed value. Counties & cities set the ad valorem tax rate by dividing the amount of money needed from property tax by the amount of the digest, which is the value of all property in the jurisdiction.	Counties & cities are authorized by state constitution to levy & collect a general ad valorem property tax on real property, personal property, inventoried goods of a business, and on intangible property. Georgia law generally requires that tangible real and personal be assessed at 40% of fair market value. Rate is stated in terms of mills with 10 mills equal to 1% of assessed value. Tax due is the tax rate multiplied by assessed value. Counties & cities set the ad valorem tax rate by dividing the amount of money needed from property tax by the amount of the digest, which is the value of all property in the jurisdiction. (2015 SSD Tax Digest @4.13 Mills; 95% Collection Rate)	2016 SSD Tax Digest @ 4.13 Mills 95% Collection Rate
Real Property (4.13 mills)	\$2,759,077	\$2,759,077	\$2,907,925
Utilities	N/A	\$34,724	\$0
Personal Property	N/A	\$144,869	\$28,400*
Subtotal		\$2,938,670	\$2,936,325**
Motor Vehicles	N/A	\$58,007	\$0
Mobile Homes	N/A	\$181	\$181
Intangible Recording	N/A	\$16,524	\$16,524
Total		\$3,013,382	\$2,953,030
Franchise Fees	Counties are permitted to levy franchise fees only on cable television in their unincorporated area.	Cities are authorized to impose franchise fees on electric, gas, telephone, cable television, and any other public utilities in the jurisdiction.	
Electricity	\$0	\$305,400	\$305,400
Cable	Chatham County currently collects 5% of revenues from the unincorporated county.	\$83,985	\$83,985
Natural Gas	\$0	\$45,810	\$45,810
Telephone	\$0	\$30,540	\$30,540
Total		\$465,735	\$465,735
Fire Protection	Residents of The Landings and Skidaway Island obtain and pay for fire protection directly to Southside Fire Department.	The City of Skidaway will provide fire protection through a contract arrangement with Southside Fire. Under the proposed arrangement, homeowners will not pay Southside directly, but will be billed by the City of Skidaway via a line item on their property tax bill. The cost of this service is estimated using the current rate structure of Southside Fire.	\$2,008,024
Life, Property, Casualty Insurance		\$374,749	\$450,000

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Mixed Drink Tax		\$114,525	\$80,000
Business Licenses	<p>Administered by Building Safety & Regulatory Services, including alcoholic beverage and business licenses. A business is defined as: Any person, corporation, partnership, or other legal entity which exerts substantial efforts within the unincorporated limits of Chatham County, engages in, causes to be engaged in, and/or represents or holds out to the public to be engaged in any occupation or activity with the object of gain or benefit, either directly or indirectly. Requires a Business Tax Certificate within 30 days of commencing business activity. Fees are determined using the North American Industry Classification System Class Codes. For new businesses, applicants estimate their gross receipt bracket using the Business Tax Schedule. The Bracket and Class will determine the fee. New Tax Certificates issued between July 1st and December 31st are prorated to one half (1/2) of the yearly rate. Administrative fees, regulatory fees, and businesses designated as seasonal are NOT proratable.</p> <p>Flat Fee: Certain Practitioners of the Professions may elect to pay \$400 per practitioner in lieu of reporting and paying a tax on the profitability ratio.</p>	\$42,654	\$42,654
Bank Share Tax	<p>In accordance with the O.C.G.A., Section 48-6-93, there is hereby levied an annual business license tax upon all depository financial institutions located within Chatham County at a rate of 0.25 percent (.25%) of the gross receipts of said depository financial institutions. Gross receipts shall mean gross receipts as defined in the O.C.G.A., Section 48-6-93. Depository financial institutions shall mean state and national banks, state building and loan associates, and federal savings and loan associations. The minimum annual amount of business license tax due from any depository financial institution pursuant to Section 1 of this resolution shall be \$1,000.00.</p>	\$7,505	\$7,505
Building, Development, Zoning Fees	<p>Administered by Building Safety & Regulatory Services department. This revenue represents permit fees for building, development and zoning applications.</p>	\$22,367	\$100,000
Municipal Court		\$20,000	\$10,000

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Local Option Sales Tax	Four different local-option sales and use taxes may be levied by local governments on the purchase, sale, rental, storage, use, or consumption of tangible personal property and related services. All local-option sales taxes must be approved by the voters in the jurisdiction. Counties & cities are subject to a 2% cap on the amount of the local sales taxes they may levy. The joint county and municipal local-option sales & use tax (LOST) is disbursed on the basis of a percentage negotiated by the county and cities within the county. All counties and cities must renegotiate the distribution of this tax every 10 years.	\$2,360,888	\$2,360,888
Total Estimated Revenue		\$8,429,829	\$8,477,836

* Debbie Brannon, Chief Deputy Tax Commissioner, Chatham County advised final figures for personal property are expected to be a higher dollar amount.

** See Exhibit A: 2016 Skidaway Island Personal and Real Property Spreadsheet.

Tax/Finance Task Force Committee Members:

Chair: Kenneth A. Johnson

Vice Chair: Jim McInerney

Secretary: John Kane

Bob Michna

Charles O'Brien

Russ Peterson

Brendan Shea

Mike Vaquer

Christopher Vinas

Exhibit A:
Tax/Finance Study Committee
2016 Skidaway Island Personal and Real Property Spreadsheet

As of 9/21/17

		Residential	Commercial	IND	FLPA	Conservation Use	Utility	Exemptions	Net Taxable	Total
Personal Property	ASV	\$3,298,234	\$3,896,531	\$44,014	\$0	\$0	\$0	\$0	\$7,238,779	\$7,238,779
	2016 SSD Tax	\$13,622	\$16,093	\$182	\$0	\$0	\$0	\$0	\$0	\$29,896
\$130,149,689										
Real Property	ASV	\$844,187,339	\$24,726,934	\$0	\$2,180,760	\$106,720	\$103,913	\$0	\$741,155,977	\$871,305,666
	2016 SSD Tax	\$2,958,238	\$102,122	\$0	\$180	\$4	\$429	\$0	\$0.00	\$3,060,974
Total 2016 SSD Taxes: \$3,090,870										

	Collection Estimates	Collection Rate	
Personal Property	\$29,896	95%	\$28,401
Real Property	\$3,060,974	95%	\$2,907,925
Total	\$3,090,870	95%	\$2,936,327

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Presented below 2017 SSD Rate Increase on 2016 Net Taxable*:

Personal Property	\$36,123	95%	\$34,317
Real Property	\$3,698,368	95%	\$3,513,450
Total	\$3,734,491		\$3,547,766
	Net Additional Tax Revenue		\$611,440

*Calculations for adjusted Estimates Based on recent 2017 millage increase by Chatham County for the SSD.

		Personal Property	Real Property
Current SSD Millage Rate	4.13	\$7,239	\$741,156
Recent 2017 Increase	0.86	4.99	4.99
Total 2017 SSD Rate	4.99	\$36,123	\$3,698,368
		\$36,123	\$3,698,368
		95%	95%
		\$34,317	\$3,513,450