



THE  
CENTER  
FOR  
STATE  
AND  
LOCAL  
FINANCE

# Atlanta Early Education Leadership Council

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**May 18, 2018**

# City of Atlanta

<b>Source</b>	<b>Revenue, 2017</b>
Property Tax	190,972,727
Title Ad Valorem Tax	5,058,896
Local Option Sales Tax	103,354,450
Municipal Option Sales Tax	131,709,603
Intangible Recording Tax	5,770,891
Real Estate Transfer Tax	3,114,262
Franchise Tax	42,176,099
Insurance Premium Tax	26,229,914
Depository Institutions Business Tax	3,571,122
Business Occupation & Professional Tax	61,618,178
Hotel/Motel Tax	60,581,898
Rental/Motor Vehicle Tax	1,253,762
Alcoholic Beverages	26,367,042

<b>Source</b>	<b>Control over rate</b>	<b>Rate</b>
Property Tax	Yes	10.516 mills
Title Ad Valorem Tax	Fixed	7%
Local Option Sales Tax	Fixed	1%
Municipal Option Sales Tax	Fixed	1%
Intangible Recording Tax	Fixed	0.30%
Real Estate Transfer Tax	Fixed	0.10%
Franchise Tax	Negotiated	% of gross revenue varies by utility
Insurance Premium Tax	Fixed	1% for Life; 2.5% for P-C
Depository Institutions Business Tax	Fixed	0.25% of gross receipts
Business Occupation & Professional Tax	Yes	Varies by business
Hotel/Motel Tax	Max Rate is 8%	8%, but City gets 24.99% of revenue
Rental/Motor Vehicle Tax	Fixed	3%
Alcohol Beverage	At max rates	\$5000 for license; 3% of drink sales

# Other Revenue Sources

- Permits, Fees, Fines, Rentals
- Enterprise Funds
- Grants

# Atlanta Public Schools

<b>General Fund Source</b>	<b>Revenue, 2017</b>
Property Tax	481,450,400
Intangible Recording & Real Estate Transfer Tax	10,026,860
Other Taxes	12,639,105
Title Ad Valorem Tax (TAVT)	14,083,706
Rental of Property	1,262,665
State Quality Basic Education Formula Earnings	189,826,275
Other State Grants including Equalization	7,056,958
Tuition and Services to Other Districts	31,697
Federal Indirect Cost Reimbursement	447,079
Sales of Fixed Assets or Other Local Sources	8,076,248
<b>Capital Fund Source</b>	
Special Purpose Local Option Sales Tax	93,790,759

<b>General Fund Source</b>	<b>Control over rate</b>	<b>Rate</b>
Property Tax	Yes	21.740 mills
Intangible Recording & Real Estate Transfer Tax	Fixed	0.30% and 1%
Other Taxes	Fixed	Varies
Title Ad Valorem Tax (TAVT)	Fixed	7%
Rental of Property	Yes	Varies by property
State Quality Basic Education Formula Earnings	Fixed	State formula
Other State Grants including Equalization	Fixed	State formulas
Tuition and Services to Other Districts	Yes	Varies
Federal Indirect Cost Reimbursement	Fixed	Federal Indirect Cost rate
Sales of Fixed Assets or Other Local Sources	Yes	Varies
Special Purpose Local Option Sales Tax	Fixed	1%

## **Issues to consider**

- Who has authority to levy the tax or charge?
- Who has authority to fund 0-5 program?
- Can funds be earmarked?
- Total sales tax rate is currently 8.9%
- Total property tax rate is 44.366 mills

## **Revenue Options**

- Property tax
- Sales tax
- Income tax surtax
- Occupation tax
- Georgia income tax credit
- Expand QBE to include expanded pre-K
- Add expanded pre-K lottery funded programs



<b>Base</b>	<b>Rate</b>	<b>Revenue Est</b>
Property Tax	0.5 mills <sup>a</sup>	\$9.3 million
Sales Tax	0.1%	\$13.2 million
Income Surtax	1%	\$8.0 million <sup>b</sup>
Occupation Tax	\$25/worker	\$8.0 million <sup>b</sup>

a. \$0.5 per \$1000 of assessed value, or \$0.2 per \$1000 of market value

b. These are very crude estimates

# Examples

Jurisdiction	Tax Rate	Annual Revenue
Seattle	0.11 mills	\$14.5 million
Cincinnati	0.278 mills, of which 0.087 is for preschool	\$15 million
Dayton	.025% income tax, of which 0.0975% is for preschool	\$4.3 million
Miami-Dade	0.5 mills	\$100 million
St. Charles, MO	0.25% sales tax	\$7.3 Million
Denver	0.15% sales tax	\$12.8 Million
San Antonio	0.125% sales tax	\$33.6 million
Louisiana	Tax Credits: varying % of expenditure	\$14.4 Million
Sources: North Carolina Early Childhood Foundation, The Community and Children's Resource Board for St. Charles County, and Denver Preschool program		