

The 2017 Allocation of a Sales Tax Dollar

Based on the 2017 City Budget presented by the City Manager and adopted by the City Commission, for every \$1.00 paid in sales taxes for local purchases, only 11¢ is collected by the City of Manhattan from its 1.00% local sales tax.

Of this amount (11¢), about 9¢ is credited to the General Fund to keep annual property taxes low. In 2017, it is estimated that \$10,567,800 will be collected from the city's 1% local sales tax.

The local sales tax rate is 8.75%. It is distributed according to the following:

State of Kansas = 6.50%; Riley County = 1.00% (Note: This sales tax was renewed in 2012.); City of Manhattan (voter approved) = 1.00%; Pools/Sunset Zoo (voter approved) = .25%

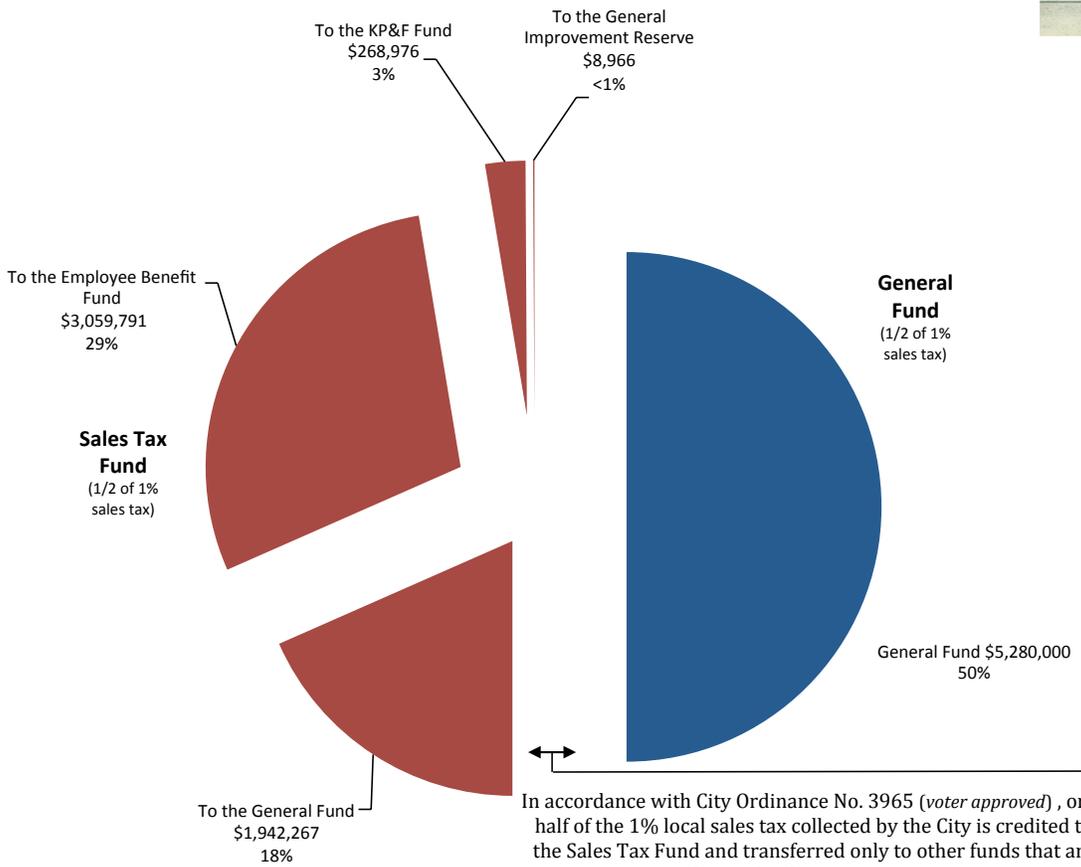
State of Kansas
(about 75¢)

Pools and Sunset Zoo
Sales Tax
(about 3¢)

Riley County and
Pottawatomie County
(about 11¢)



City of Manhattan
(about 11¢)



The City also receives a share of County sales taxes since the majority of sales taxes are generated from Manhattan businesses. These sales taxes are distributed, under state law, based on population -- not retail location.

In 2017, the City has budgeted to receive:
Riley County = \$5,300,000
Pottawatomie County = \$280,000

In November 2012 the Riley County 1/2 cent sales tax was renewed by voters for an additional ten years. The City has committed to allocating 65% of these funds to the Economic Development Fund and 35% to the Bond and Interest Fund.

These funds will be used for economic development initiatives, infrastructure projects, and property tax relief. The City estimates it will collect an additional \$2.6 million in annual sales taxes with the voter-approved sales tax renewal.

Note: There also is a .50% sales tax that is only applicable to retail establishments within the Downtown Redevelopment District. These sales tax proceeds are used to retire bonds issued within the District.

Finally, there also is a .25% "quality of life" sales tax (voter-approved) to pay for bonds that improved community swimming pools and constructed a Education Center at Sunset Zoological Park. This sales tax "sunset" in 2019.