



Memorandum

DATE: March 23, 2007

TO: Mayor and City Councilmembers

FROM: Debbie Tarry, Finance Director

RE: Household Tax Burden

As Council requested staff has prepared an analysis of tax burden to an average household for state, county and local taxes. The following assumptions were used to complete the analysis.

Assumptions:	
Households in Shoreline	21,335.00
Household Size	2.50
Median Household Income (2000 Census)	\$ 51,658.00
Amount Spent Per Household on Taxable Retail Annually (2000 Census)	\$ 12,397.00
Household Property Value	\$ 314,000.00
Average Household Vehicle Value	\$ 17,585.00
Annual Household Fuel Usage in Gallons (Energy Information Administration)	1,266.00
<i>Average Annual Utility Cost Per Household:</i>	
Average Annual Natural Gas	\$ 1,032.00
Average Annual SWM	\$ 120.00
Average Annual Telecommunications	\$ 1,071.00
Average Annual Cable	\$ 720.00
Average Annual Garbage	\$ 386.00
Average Annual Water (SPU or Shoreline Water)	\$ 428.00
Average Annual Electric	\$ 766.65
Average Annual Sewer	\$ 512.00
Not Included:	
State B&O Taxes for businesses Liquor Excise Tax Real Estate Excise Tax Federal Taxes Tax Increases that could result from future tax proposals such as EMS, RTID Any assumptions for rate reductions for utilities or property tax based on low-income or senior status	

The average household burden for state, county and local taxes is estimated at \$5,711 for 2007. This includes property tax (both regular and voted levies), sales tax, motor vehicle excise tax, fuel tax, utility taxes, franchise fees, and utility contract payments. The total tax collected by tax type is as follows:

Tax Type	Total	% of Total
Property Tax - Non-Voted	\$ 2,831.42	50%
Property Tax - Voted	945.58	17%
Sale Tax	1,152.92	20%
Criminal Sales Tax	12.40	0%
Motor Vehicle Excise Tax	52.76	1%
Fuel Tax	430.44	8%
Utility Tax/Franchise Fee/Contract Payment:		
Average Annual Natural Gas	61.92	1%
Average Annual SWM	7.20	0%
Average Annual Telecommunications	64.26	1%
Average Annual Cable	43.20	1%
Average Annual Garbage	23.16	0%
Average Annual Water (SPU or Shoreline Water)	25.68	0%
Average Annual Electric	29.90	1%
Average Annual Sewer	30.73	1%
TOTAL CURRENT TAXES	\$ 5,711.55	
<i>Percent of Total</i>	100%	100%

The total collected by jurisdiction is as follows:

Jurisdiction	Tax Collected	% of Total
City of Shoreline	\$ 871.75	15%
King County	502.24	9%
State of Washington	1,851.43	32%
Shoreline School District	1,425.78	25%
Fire District	489.91	9%
King County Library District	157.08	3%
Port of Seattle	72.72	1%
Emergency Medical Services (EMS)	64.75	1%
Sound Transit	102.34	2%
Metro Transit	111.57	2%
Stadium (Food & Beverage Sales Tax)	61.99	1%
Total	\$ 5,711.55	100%

Attached is a more detailed break-out of the type of tax and amount of tax collected by each jurisdiction.

The City Council is considering increasing the utility tax on cable and the implementation of a contract payment on the distribution portion of electric revenues of up to 6%. If adopted, and using the full 6% contract payment on distribution electric revenues, the taxes collected by the City of Shoreline would increase to \$921.84 and represent 16% of total taxes collected.



Tax Type	City of Shoreline	King County	State of WA	Shoreline School Dist	Fire Dist	King County Library Dist	Port of Seattle	EMS	Sound Transit	Metro Transit	Stadium	Total	% of Total
Property Tax - Non-Voted	343.69	295.84	730.16	677.27	489.91	157.08	72.72	64.75	-	-	-	\$ 2,831.42	50%
Property Tax - Voted	87.99	109.08	-	748.51	-	-	-	-	-	-	-	945.58	17%
Sale Tax	105.37	18.60	805.81	-	-	-	-	-	49.59	111.57	61.99	1,152.92	20%
Criminal Sales Tax	11.16	1.24	-	-	-	-	-	-	-	-	-	12.40	0%
Motor Vehicle Excise Tax	-	-	-	-	-	-	-	-	52.76	-	-	52.76	1%
Fuel Tax	37.49	77.48	315.47	-	-	-	-	-	-	-	-	430.44	8%
Utility Tax/Franchise Fee/Contract Payment:													
Average Annual Natural Gas	61.92	-	-	-	-	-	-	-	-	-	-	61.92	1%
Average Annual SWM	7.20	-	-	-	-	-	-	-	-	-	-	7.20	0%
Average Annual Telecommunications	64.26	-	-	-	-	-	-	-	-	-	-	64.26	1%
Average Annual Cable	43.20	-	-	-	-	-	-	-	-	-	-	43.20	1%
Average Annual Garbage	23.16	-	-	-	-	-	-	-	-	-	-	23.16	0%
Average Annual Water (SPU or Shoreline Water)	25.68	-	-	-	-	-	-	-	-	-	-	25.68	0%
Average Annual Electric	29.90	-	-	-	-	-	-	-	-	-	-	29.90	1%
Average Annual Sewer	30.73	-	-	-	-	-	-	-	-	-	-	30.73	1%
TOTAL CURRENT TAXES	871.75	502.24	1,851.43	1,425.78	489.91	157.08	72.72	64.75	102.34	111.57	61.99	\$ 5,711.55	
Percent of Total	15%	9%	32%	25%	9%	3%	1%	1%	2%	2%	1%	100%	100%

Tax Type	City of Shoreline	King County	State of WA	Shoreline School Dist	Fire Dist	King County Library Dist	Port of Seattle	EMS	Sound Transit	Metro Transit	Stadium	Total	% of Total
Proposed City Tax Changes:													
Increase in Cable Utility Tax	34.00	-	-	-	-	-	-	-	-	-	-	34.00	
Seattle City Light Contract Payment on Distribution Portion of Electric	16.10	-	-	-	-	-	-	-	-	-	-	16.10	
TOTAL TAXES W/ PROPOSED CITY INCREASES	921.84	502.24	1,851.43	1,425.78	489.91	157.08	72.72	64.75	102.34	111.57	61.99	\$ 5,761.65	
	16%	9%	32%	25%	9%	3%	1%	1%	2%	2%	1%	100%	