

Motor Fuel Tax Fund

MISSION STATEMENT

It is the purpose of the Motor Fuel Tax Fund to provide dedicated revenues from taxes on gasoline and diesel sales for road maintenance and construction. Revenues are distributed by the State of Illinois on a per capita basis from its tax on motor fuels. It is the policy of the City to use these user fee taxes on motor fuel sales exclusively for road improvement.

PRIMARY FUNCTION/FUND HIGHLIGHTS

The Motor Fuel Tax Fund is dedicated to road improvements. Based upon the annual requirements of the Capital Projects Fund, funds are transferred from this Fund to the Capital Projects Fund to finance certain construction projects.

Motor fuel taxes have been generated by a flat rate of cents per gallon, 19.0 for gasoline and 21.5 for diesel fuel, plus a sales tax transfer. With the Illinois First (Fund for Infrastructure, Roads, Schools, and Transit) program adopted by the State in 1999, the sales tax transfer was eliminated April 2000 and certain vehicle registration fees replaced and supplemented this shared state revenue. On a net basis, the City received an additional 18%.

MOTOR FUEL TAX FUND BUDGET SUMMARY

	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2012 <u>ESTIMATE</u>	2013 <u>BUDGET</u>	INCREASE <u>(DECREASE)</u>
APPROPRIATION					
TRANSFERS TO					
GENERAL FUND	\$2,400,000	\$1,200,000	\$1,200,000	\$1,200,000	\$0
CAPITAL PROJECTS FUND	<u>2,272,183</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
TOTAL	<u>\$4,672,183</u>	<u>\$4,200,000</u>	<u>\$4,200,000</u>	<u>\$4,200,000</u>	<u>\$0</u>
FUNDING SOURCE					
STATE MOTOR FUEL TAX	\$4,535,832	\$4,485,613	\$3,694,400	\$4,300,000	\$605,600
INTEREST INCOME	<u>11,402</u>	<u>6,031</u>	<u>237,000</u>	<u>229,000</u>	<u>(8,000)</u>
TOTAL	<u>\$4,547,234</u>	<u>\$4,491,644</u>	<u>\$3,931,400</u>	<u>\$4,529,000</u>	<u>\$597,600</u>

BUDGET HIGHLIGHTS

The 2013 budget calls for \$3.0 million in transfers to the Capital Projects Fund and \$1,200,000 to the General Fund for eligible street lighting expenses. The General Fund, in turn, will transfer \$1,200,000 to the Capital Projects Fund for projects.

MOTOR FUEL TAX FUND FIVE YEAR FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$3,933	\$3,925	\$3,916	\$3,908	\$3,899
Expenses	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>
Excess (Deficit)	<u>(267)</u>	<u>(275)</u>	<u>(284)</u>	<u>(292)</u>	<u>(301)</u>
Beginning Balance	<u>7,628</u>	<u>7,361</u>	<u>7,086</u>	<u>6,802</u>	<u>6,510</u>
Ending Balance	<u>\$7,361</u>	<u>\$7,086</u>	<u>\$6,802</u>	<u>\$6,510</u>	<u>\$6,209</u>

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The 2014-2018 five year forecast assumes growth as projected by the State for tax revenues and assumes expenditures essentially equal to annual revenues. The State of Illinois assumes stagnant growth, for the taxes on motor fuels, with an annual deviation of plus or minus two percent influenced by the severity of winter weather and the pump price.