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

APPROPRIATION	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	2014 BUDGET	INCREASE (DECREASE)
TRANSFERS TO					
GENERAL FUND	$2,400,000	$1,200,000	$1,200,000	$1,200,000	$0
CAPITAL PROJECTS FUND	2,272,183	3,114,312	3,000,000	3,200,000	200,000
TOTAL	$4,672,183	$4,314,312	$4,200,000	$4,400,000	$200,000

FUNDING SOURCE	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	2014 BUDGET	INCREASE (DECREASE)
STATE MOTOR FUEL TAX	$4,485,613	$4,509,838	$4,300,000	$4,503,500	203,500
INTEREST INCOME	6,031	10,990	243,000	253,000	10,000
TOTAL	$4,491,644	$4,520,828	$4,543,000	$4,756,500	213,500

BUDGET HIGHLIGHTS

The 2014 budget calls for $3.2 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)

	2015	2016	2017	2018	2019
Revenues	$4,768	$4,779	$4,790	$4,802	$4,814
Expenses	4,400	4,400	4,400	4,400	4,400
Excess (Deficit)	368	379	390	402	414
Beginning Balance	8,446	8,814	9,193	9,583	9,985
Ending Balance	$8,814	$9,193	$9,583	$9,985	$10,399

Motor Fuel Tax Fund

The 2015-2019 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.

MOTOR FUEL TAX FUND
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS

Account	Description	2012 ACTUAL	2013 BUDGET	2014 BUDGET	BUDGET CHANGE 13-14
77722	TRANSFER TO OTHER FD	1,200,000	1,200,000	1,200,000	-
77729	TRANSFER TO CIP	3,114,312	3,000,000	3,200,000	200,000
TOTAL OTHER		4,314,312	4,200,000	4,400,000	200,000
TOTAL MOTOR FUEL TAX FUND		**4,314,312**	**4,200,000**	**4,400,000**	**200,000**