

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 → 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.

Fund Highlights

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	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
TRANSFERS TO					
GENERAL FUND	\$0	\$2,400,000	\$1,200,000	\$1,200,000	\$0
CAPITAL PROJECTS FUND	<u>2,346,538</u>	<u>2,272,183</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
TOTAL	<u>\$2,346,538</u>	<u>\$4,672,183</u>	<u>\$4,200,000</u>	<u>\$4,200,000</u>	<u>\$0</u>
FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
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 Analysis

- 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.

Five Year Financial Forecast

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

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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 2014-2018 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>

**MOTOR FUEL TAX FUND
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS**

Account	Description	2011 ACTUAL	2012 BUDGET	7 MONTH ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
	77722 TRANSFER TO OTHER FD	2,400,000	1,200,000	700,000	1,200,000	-
	77729 TRANSFER TO CIP	2,272,183	3,000,000	1,750,000	3,000,000	-
<i>TOTAL OTHER</i>		4,672,183	4,200,000	2,450,000	4,200,000	-
TOTAL MOTOR FUEL TAX FUND		4,672,183	4,200,000	2,450,000	4,200,000	-