

**Frequently Asked Questions**  
**County School Facilities Sales Tax**  
**April 3, 2024**

**01. What is the County School Facilities Sales Tax (CSFT)?**

The County School Facilities Sales Tax, modeled after a very successful program in the state of Iowa, was created in 2007 as a way to provide revenue to support improvements in school facilities and shift away from relying on property taxes for local school district funding in Illinois. It is a sales tax of up to one percent on selected retail purchases (see below). Importantly among the items not taxed are groceries, prescriptions and over-the-counter medications.

**02. Why was the CSFT passed by the State General Assembly?**

All across Illinois, there has been a call for property tax relief. The CSFT was passed in response to that call. Traditionally school building improvements have been funded through property taxes. By passing the CSFT, much of the burden for funding public school district facility improvements can be shifted to the sales tax — and a sales tax that is very equitable and fair in its design (see informational about what is and what is not taxed elsewhere in this document).

**03. How do school districts in Effingham County receive funds through CSFT?**

To be implemented, CSFT must be passed by a countywide vote. School boards representing a majority of all resident student enrollment pass resolutions to place the proposal on the ballot. The Effingham School District Board of Education has passed a resolution to place the proposal on the November 2024 ballot. Other districts are expected to follow.

If that ballot proposal is approved by a majority of voters, the one percent sales tax goes into existence. The revenue from the tax is apportioned by student count within the county. For example, if a district has 10% of the students in the county, it gets 10% of the revenue. Every school district in the county gets to decide for themselves how their CSFT funds will be spent based on their specific needs.

**04. How can, and cannot, the revenue from the CSFT be used?**

Illinois law is very clear about how the CSFT revenue can be used. Revenue from this one percent sales tax can only be used for improving school facilities, retiring new or current building bonds, or for school resource officers and mental health professionals. It cannot be used for general school salaries, instructional materials, or other operating costs. Specifically, some examples of what the funding can support include:

- New up-to-date school facilities
- Additions and renovations
- Improved safety and security for students
- Funding to keep roofs, windows, and doors in good working condition
- Up-to-date labs and technology
- Energy efficient heating and air conditioning
- Paying off existing or new building bonds
- Architectural planning/engineering
- Durable equipment
- School resource officers and mental health professionals

#### **05. What is taxed and not taxed? Isn't this a regressive tax?**

Items normally subject to sales tax are included in the CSFT with some major exceptions. Very importantly, groceries and prescription and over-the-counter drugs are not taxed. That is a large part of why so many regard this tax as fair and not regressive.

Other items **NOT TAXED** include:

- Cars, trucks, ATV's, boats and RV's
- Mobile homes
- Unprepared foods (at the grocery store, a loaf of bread and deli meat is not taxed, a prepared sandwich at the grocery deli is taxed)
- Drugs (including over-the-counter and vitamins)
- Farm equipment and parts
- Farm inputs
- Services (accounting, legal, etc.)
- Anything purchased at the wholesale level

If it is currently not taxed by sales tax, it is generally not taxed by CSFT. Online sales are taxed (that was effective beginning on January 1, 2021 excepting those items mentioned above).

#### **06. What are some examples of how much the CSFT will cost me?**

Items below are examples of what CSFT would cost on some purchases:

- McDonald's meal \$6 = 6¢

- TV at Walmart \$200 = \$2
- Ground beef at Walmart = not taxed
- Gasoline \$18 = 18¢
- Haircut = not taxed
- Amazon \$100 = \$1
- \$10,000 of annual purchases (excluding food and medicine) at Walmart = \$100

#### **07. How many counties have passed the CSFT?**

As of today, more than half of Illinois counties (57 of 102) have passed this tax. When you drive through these counties, you can see schools that were built or renovated as a result of this new source of school district revenue.

Quite a few counties that border Effingham County have passed the CSFT — Fayette, Jasper, Shelby, and Cumberland. Of the five counties “touching” Effingham, only Clay has not passed the CSFT. Larger mid-Illinois counties that have the CSFT include Champaign, Sangamon, Peoria, and Macon.

Examples of close-by schools built or renovated with the CSFT can be found in Richland County, Mt. Zion, Mahomet-Seymour, Champaign and many other school districts.

#### **08. Has the CSFT been on the ballot in Effingham County before?**

The CSFT has been on the ballot three times in Effingham County. The most recent election was April 2019 when the proposal received 45.4% support in a very low turnout election. In the meantime, lots of counties across Illinois have passed the proposal.

#### **09. How much revenue does the CSFT provide in Effingham County?**

Because Effingham is at the crossroads of two major interstate highways, it receives higher per capita sales tax revenue than does the vast majority of counties in Illinois. Much of our sales tax revenue is imported from those who travel through, but don't live in, our county. These “visitors” can help pay for our schools should the CSFT pass. Current projections are that school districts will annually receive about \$1,700 dollars for every enrolled student. For many counties across Illinois, the comparable amount is less than \$1000 and in some cases under \$500. Based on current enrollment, Effingham CUSD 40 would receive approximately \$4 million annually from CSFT.

**10. How much revenue will the CSFT provide the Effingham School District?**

Effingham Community Unit School District 40 has nearly half the students in Effingham County so will receive approximately half the revenue or approximately \$4 million annually.

**11. What plan does the Effingham School District have for using the money?**

That decision is completely up to our Board of Education based on extensive input from the community. That's what our 40Forward program is all about — what a facility improvement program should look like in our district and how we should go about funding that program. The only decision our Board of Education has made is that the one percent sales tax would provide a needed source of revenue for our district and should appear on the November 2024 ballot.

**12. What does the ballot wording look like?**

The ballot wording is very confusing, so it is important that residents have a high level of familiarity with it and understand what it means. The wording is:

“Shall a retailer’s occupation tax and a service occupation tax (commonly referred to as a ‘sale tax’) be imposed in Effingham County at a rate of 1% to be used exclusively for school facility purposes, school resource officers, and mental health professionals.”

This is a lot of words to describe what most people call a one percent (or one-cent) sales tax.

**13. On what date is the November election?**

The CSFT will be on the November 5, 2024 ballot. That is the same date as the presidential election. Turnout should be high. We think all voters should weigh-in on this important decision.