



# CITY OF LEXINGTON

Residents of Lexington,

At the August 8<sup>th</sup> city council meeting, a resolution was unanimously passed to place a referendum on the November 8<sup>th</sup> ballot to raise the sales tax rate by ½%. The council feels this is necessary to continue to provide the level of services that have made Lexington the finest place to live in McLean County. It will be up to the voters of Lexington to decide if this is justified.

We have all felt the effects of inflation recently, from rising fuel prices, electric and gas rates, to the costs of construction. The city is not immune to this. In addition to the previously mentioned items, we have had to pay significantly higher prices for salt and chemicals for water treatment.

The table below will show that Lexington has one of the lowest sales tax rates in the county. If the city tax is increased to 1%, our combined rate would be at 7.25%, which would still be one of the lowest rates, significantly below Bloomington/Normal, and well below towns of similar size, such as Chenoa and LeRoy.

<u>City</u>	<u>Combined Rate</u>	<u>State Tax</u>	<u>County Tax</u>	<u>City Tax</u>	<u>Special Tax</u>
Towanda	8.75%	6.25%		2.50%	
Normal	8.75%	6.25%		2.50%	
Bloomington	8.75%	6.25%		2.50%	
McLean	8.25%	6.25%	2.00%		
Hudson	8.25%	6.25%	2.00%		
Gridley	8.25%	6.25%	2.00%		
Danvers	8.25%	6.25%	2.00%		
Carlock	8.25%	6.25%	2.00%		
Bellflower	8.25%	6.25%	2.00%		
LeRoy	7.75%	6.25%		0.50%	1.00%
Chenoa	7.75%	6.25%		1.00%	0.50%
Stanford	7.25%	6.25%			1.00%
Heyworth	7.25%	6.25%			1.00%
Downs	7.25%	6.25%		1.00%	
Cropsey	7.25%	6.25%	1.00%		
Colfax	7.25%	6.25%	1.00%		
Lexington Proposed	7.25%	6.25%		1.00%	
Lexington Currently	6.75%	6.25%		0.50%	

Saybrook	6.25%	6.25%
Shirley	6.25%	6.25%
Merna	6.25%	6.25%
Ellsworth	6.25%	6.25%
Cooksville	6.25%	6.25%
Arrowsmith	6.25%	6.25%
Anchor	6.25%	6.25%

The goal of increasing Lexington's revenue through an increase in the sales tax is that a significant portion of the money raised would be paid by people who live outside of Lexington. Think of the number of people who stop out by the Interstate or come to Lexington to eat or shop at our local businesses. The sales tax rate for groceries is limited by law, so there would be no increase in sales tax on groceries. By doing this the council would expect to keep our property taxes at the current rate, which are also significantly lower than towns of similar size.

I invite anyone who has questions to contact me anytime, or their representative on the council, or to come to the council meetings on the second and fourth Mondays. We look forward to everyone's input.

Sincerely,



Spencer Johansen, Mayor

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