



# Hamilton County Administrator's Office

## Interdepartmental Memorandum

**To:** Board of County Commissioners  
Patrick Thompson, County Administrator

**From:** Christian Sigman, Assistant County Administrator  
David Steuber, Management Analyst Intern

**Date:** July 25, 2007

**Re:** Comprehensive Safety Plan Sales Tax Per Person Impact

The purpose of this memo is to describe the potential impact of the Comprehensive Safety Plan sales tax increase. An analysis of the tax was prepared using data from the U.S. Bureau of Labor Statistics, and was examined and approved by Jeff Rexhausen, Associate Director of Research for the Economics Center at the University of Cincinnati. In summary, based on the median household annual income in Hamilton County, the impact of the 0.5% increase is approximately \$33.61 per person annually.

The U.S. Bureau of Labor Statistics provides data on the annual expenditures of U.S. households. This data is broken down over nine different income brackets, as well as according to the different types of expenditures households make (ex: food, housing, transportation, etc). Some of these expenditure types are taxable in Hamilton County; others are not.

A simple sum of taxable expenditure types was taken in order to calculate the total taxable expenditures of households in each of the nine income brackets. These sums were multiplied by the planned 0.5% sales tax rate to calculate the annual household impact of the sales tax:

	\$5,000 To \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and more
Sales Tax Increase Per Household	\$34.46	\$41.56	\$48.99	\$61.72	\$76.68	\$87.39	\$111.17	\$191.70

Dividing the above figures by the average number of persons living in a household (which varies by income bracket), the impact per person of the sales tax was also found:

	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and more
Sales Tax Increase Per Person	\$21.54	\$24.45	\$24.49	\$29.39	\$31.95	\$33.61	\$39.70	\$61.84

All of the above figures were calculated with respect to income brackets, and more specific income data within these brackets was not available from the U.S. Bureau of Labor Statistics. The median household income in Hamilton County is \$40,556 per year, and this amount falls into the low end of the \$40,000 to \$49,000 income bracket. For this bracket, the annual impact of the sales tax increase is approximately \$87.00 per household, or \$33.61 per person.

Please do not hesitate to contact me if you have any questions.

Attachment

