Utility Bill Reallocation - Tax Benefit Diagram



WHAT IS THE DEBT SERVICE TAX?

A new flat \$384 debt service tax was created to offset the Town's loan and financing cost associated with vehicle replacements, street repaving, building mortgages and old sewer and water debt.







REALLOCATION OF FUNDS

The monthly charge for trash is now being paid like other town services in the real estate tax. This is similar to the other towns in Cecil County.

The money that was previously used to pay for Town loans and financing costs associated with vehicle replacements, street repaving, building mortgages etc, will now be used to pay for the trash collection.





CURRENT MONTHLY UTILITY BILL

The minimum monthly utility bill for a majority of our residents is \$60.66 per month regardless of how much water is consumed.



BENEFITS TO MAJORITY OF THE TOWN RESIDENTS (GOOD NEWS!)

- \$384.36 is removed from the Utility bill, where it had no tax benefit
- The \$384 now on the real estate tax is tax
 deductible.
- Unlike County residents or residents from other Towns, if the real estate tax (debt Service tax) is paid by July 31 there is a 2% discount provided.
- If property owners itemize their taxes, the annual cost to the residents will actually go down by roughly \$138 for those in the 25% tax bracket & roughly \$92 for those in the 15% tax bracket



CURRENT MONTHLY UTILITY BILL (RELIEF FOR MANY RESIDENTS)

This monthly charge of \$32.03 or \$384.36 annually, will be removed from the utility bill, reducing the minimum monthly bill from \$60.66 to \$28.63.





CURRENT MONTHLY UTILITY BILL

Of that \$60.66 there are \$32.03 of charges, that consist of:

\$4.34 for water debt service

\$6.34 for sewer debt service

\$21.35 for trash, yard waste and recyclables

This monthly charge is equal to \$384.36 per year





CURRENT MONTHLY UTILITY BILL (TAX DEDUCTIBLE?)

In accordance to IRS standards, tax payers cannot itemize or deduct their utility bills on their taxes.



