

HB 856 -- School District Tax Alternatives

Sponsor: Holland

This bill allows school districts to adopt by voter approval a personal income tax, sales tax, or both. Moneys raised by the taxes would not be deducted from a district's state school aid. For either tax, the school district must specify the purpose of the tax and the period of time for which the tax will be imposed, not to exceed three years. The income tax is a 5, 10, or 15% surcharge on state personal income tax. The sales tax may be up to one cent, in eighth-cent increments. The income tax may also be used for property tax reduction, in which case it may run up to five years. The bill contains technical provisions for the handling and transfer of funds and for the conduct of the elections.