

Sales Tax Agreement Between Dutchess County, City of Poughkeepsie, and City of Beacon



ACTUALS/PROJECTIONS UNDER NEW AGREEMENT	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
TOTAL GROSS SALES TAX	\$ 240,300,000	\$247,528,667	\$ 257,429,813	\$267,727,006	\$278,436,086	\$289,573,530	\$301,156,471	\$313,202,730	\$ 325,730,839	\$338,760,072	\$352,310,475
ASSUMPTION: ANNUAL GROWTH	-2%	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%
CITY OF POUGHKEEPSIE \$	\$ 11,025,842	\$ 13,391,301	\$ 13,926,953	\$ 14,484,031	\$ 15,675,952	\$ 16,302,990	\$ 16,955,109	\$ 17,633,314	\$ 19,608,996	\$ 20,393,356	\$ 21,209,091
CITY OF POUGHKEEPSIE SHARE	4.59%	5.41%	5.41%	5.41%	5.63%	5.63%	5.63%	5.63%	6.02%	6.02%	6.02%
DIFFERENCE PROPOSED vs. CURRENT FOR CITY OF POUGHKEEPSIE	\$ 3,000,000	\$ 1,923,350	\$ 2,264,035	\$ 2,618,347	\$ 3,599,391	\$ 4,007,117	\$ 4,431,152	\$ 4,872,148	\$ 6,601,135	\$ 7,128,931	\$ 7,677,839

New Agreement Takes Effect

ACTUALS UNDER OLD AGREEMENT	2019	2020	2021
TOTAL GROSS SALES	\$ 208,660,332	\$200,104,807	\$ 245,938,128
CITY OF POUGHKEEPSIE \$	\$ 10,209,941	\$ 10,219,375	\$ 11,136,631
CITY OF POUGHKEEPSIE SHARE	4.89%	5.11%	4.53%

CITY GOALS ENTERING NEGOTIATIONS

-More equitable distribution (%) of sales tax between county, towns, and cities. ✓

-Fixed share of sales tax revenue going to the cities. ✓

-Direct impact on the City of Poughkeepsie's fund balance. ✓

OUTCOMES OF SALES TAX AGREEMENT

-Cities shares increase from 6.59% projection in 2022 to 8.64% by end of agreement. Towns projected for 9.51% in 2022 and 9.50% by end of agreement.

-Cities are locked in at share of sales tax revenue. Shares will increase in 3 tranches over term of agreement (2023, 2026, and 2030).

-Poughkeepsie receives a \$3M adjustment to existing sales tax agreement in 2022.