

Proposition B: General Revenue Sales Tax

Frequently Asked Questions

Q. How much revenue does a 1% sales tax generate today? Would that increase over time?

- A. In 2021, a 1% sales tax in Manor generated \$2,096,604.94 in revenue, which provided funding for infrastructure improvements, public safety operations, economic development, and many other public services and projects. All sales tax revenues allocated to the City are budgeted within the General Fund, and expenditures are subject to annual appropriation and authorization as directed by Manor City Council.

Manor's sales tax revenue is projected to increase in the coming years as the community grows. In 2020, a 1% sales tax generated \$1,630,746.32 in revenue, and in 2019 it generated \$1,381,281.63.

Q. Would Manor's sales tax rate increase if Proposition A fails and Proposition B passes?

- A. Currently, a combined 8.25% sales tax rate is imposed on all retail sales, leases and rentals of most goods in Manor. The rate charged by the state of Texas is 6.25%, while Manor and Capital Metro each receive revenue from a 1% sales tax. If Proposition A fails and Proposition B passes, the sales tax dedicated to the City of Manor would change from 1% to 2%, and the 1% sales tax dedicated to Capital Metro would be removed. As a result, the overall sales tax rate in Manor would remain at 8.25%. However, sales tax revenue would not be collected by the City at the 2% rate until after the City's net financial obligation to Capital Metro is collected. As of April 2022, this is estimated to be \$9.8 million

Q. Would Manor's sales tax rate decrease if Proposition A fails and Proposition B fails?

- A. Yes. However, Capital Metro would continue to be funded in part by a 1% sales tax until Manor's net financial obligation to Capital Metro is collected. As of April 2022, this is estimated to be \$9.8 million.

Currently, a combined 8.25% sales tax rate is imposed on all retail sales, leases and rentals of most goods in Manor. The rate charged by the state of Texas is 6.25%, while Manor and Capital Metro each receive revenue from a 1% sales tax. After the obligation is paid, and if no other election is held to dedicate the former 1% sales tax to some other local purpose, Manor's sales tax rate would change from 8.25% to 7.25%.

Q. What would the City of Manor do with additional sales tax revenue if Proposition B passes?

- A. On August 17, 2022, the City Council passed a resolution stating the City's desired priorities for future use of 2% general revenue sales tax if a majority of voters vote "NO" to Proposition A and "YES" to Proposition B. The priorities, in no particular order, include:
- Enhancing and expanding critical city infrastructure and services to support strategic commercial and residential growth.
 - Establishing a special revenue fund solely for community development initiatives and economic development projects to attract businesses and provide new public amenities and facilities; and
 - Meet the transit needs of the Manor community by providing for public transportation services.