

Response to Questions on the FY 2006 Advertised Budget Plan

Request By: Supervisor DuBois

Question: Is the \$35.8 million identified as revenue from cigarette and recordation taxes included in the County Executive's proposed 10-cent tax reduction or is it available for further tax reductions?

Response: The \$35.8 million reserve included in the County Executive's FY 2006 Advertised Budget Plan represents the sum of the \$8.1 million reserved by the Board of Supervisors as part of the *FY 2004 Carryover Review*, as well as additional revenue associated with the September 1, 2004 implementation of the increased rates for recordation and cigarette taxes. The revenue impact of the rate increases for recordation and cigarette taxes are estimated to be \$15.1 million in FY 2005 and an additional \$12.6 million in FY 2006. The total \$35.8 million has not been included in the proposed 10-cent tax reduction and is available for Board consideration and tax relief.