

**TECHNICAL UPDATE**  
**Statewide Sales Tax**

The following statewide sales tax questions and answers are provided courtesy of Beth Grob, Attorney with the Ahlers law firm:

**TOP 10 QUESTIONS FOR THE STATEWIDE PENNY, A/K/A  
SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX  
REVENUE**

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**1. *Does the school district have to vote ASAP to spend the Statewide Sales Tax Revenues?***

No. Each District's original SILO authorization is effective until it expires or until the District wants to amend or replace it. FYI, effective July 1, 2008 all SILO's were repealed and replaced with the new Statewide Penny (Iowa Code Chapter 423F).

**2. *When we vote, what do we have to approve?***

Each school district must vote on a revenue purpose statement ("RPS"). An RPS is a document, that is different than a ballot question and which contains "the specific purpose or purposes" (Iowa Code § 423E.2(4)(a)) for which the Sales Tax Revenue may be spent. It needs to be somewhat broad to accommodate changing needs of the District.

**3. *When should we vote on an RPS?***

A school district MUST have an approved RPS in place at least 60 days prior to the expiration of the current authority. Not sure why this requirement is in the statute because school districts receive Sales Tax Revenues anyway. Does it mean that a school district can never re-vote/vote on another RPS and Sales Tax Revenues must always be used for property tax relief?

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**4. *How is the new RPS election different than the “old SILO” elections?***

- School district-wide election, not county-wide.
- School district board of directors’ call the election, not county board of supervisors.
- No amount or 10 year limitation.
- No publication requirements - school district will need to submit the resolution approving the RPS and calling the election to county auditor (special election - 32 days before the date of the election; general school election - no later than 5:00 p.m. on the day after nomination papers are due to be filed)

**5. *Why would a school district call an RPS election prior to the expiration of the current SILO authorization?***

- School district located in multiple counties with multiple ballot, RPS’, and expiration dates.
- School district wants to borrow now against Sales Tax Revenue beyond current authority.
- Proactive planning.

**6. *What type of RPS elections are there?***

- Approve a New RPS - what we always recommend. Allows replacement of multiple RPS’ and extension of term in 1 question.
- Extend term of current authority - not practical if located in multiple counties and not change use.
- Change in use - not practical for same reasons above and LONG ballot question.

**7. *What limitations are there on an RPS election?***

- May be done at a special election.
- That leaves December, 2008 - CHECK WITH COUNTY AUDITOR!
- 4 Election dates per year depending on if odd- or even-numbered years (Odd dates: first Tuesday in February, first Tuesday in April, last Tuesday in June, second Tuesday in September; Even dates: first Tuesday in February, first Tuesday in April, second Tuesday in September, first Tuesday in December)
- If RPS fails, may NOT submit RPS for period of 6 months.
- Example: vote April, 2009 that fails, next available election date is February,

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2010.

**8.     *How is the Sales Tax Revenue distributed?***

It is distributed on the same basis as the SILO.

**9.     *What significantly changed?***

Definition of “Statewide Tax Revenues per Student” is now a “rolling” formula, not \$575.

**10.    *So why did my revenues go down?***

Aside from unique economic trends in different counties, those counties generating revenues that exceed the Statewide Tax Revenues per Student (i.e., Polk, Dallas, Johnson and Linn counties) get to keep what they generate until their original authority expires - i.e., less money in “pool” than last year.

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