

**What is the TSPLOST?**

The TSPLOST is a special purpose local option sales tax whose revenues are specifically designated for transportation projects. Later this year voters in Muscogee County and the entire 16 county River Valley development region will have the opportunity to approve a 1% TSPLOST. Approval of the tax will be based on majority vote within the region as a whole and is not conditional on each individual county's vote.

If approved, the tax will be in effect for ten years or until the tax has raised its estimated net proceeds. 75% of the tax will be used to fund projects on an approved list, the remaining 25% of the tax will be distributed to local governments in the region based upon their "LARP factor" and can be used only for transportation projects or matching funds for state transportation projects and grants. If the region approves the tax, a 10% match rate will be required. If the tax is rejected, a 30% match will be required. If the tax is rejected, voters must wait at least 24 months before reconsidering. Table 1 describes the approved list for Muscogee County.

**Table 1. Final TSPLOST Investment List for Muscogee County**

<b>Project Name</b>	<b>Project Cost</b>
Buena Vista Road I-185 Interchange	\$47,670,000
Columbus River Walk	\$10,000,000
Cusseta and Old Cusseta Road Improvements	\$58,269,412
Intercity Express Bus Park-N-Ride Service	\$22,400,000
Intersection Improvements along Buena Vista Road	\$40,000,000
South Lumpkin Multi-Use Facility	\$3,500,000
SR 219 Passing Lanes from Luther Land Bridge to Happy Hollow Road Improvements	\$17,690,438
US 27/Custer Road Interchange Reconstruction/Modification at Fort Benning	\$20,000,000
TOTAL	\$219,529,850

**What are the Benefits and Costs of the Proposed TSPLOST to Muscogee County Residents?**

The estimates of the following benefits and costs are for the entire ten year lifespan of the tax (2013-2022) and are presented in inflation adjusted 2011 dollars.

As described in Table 1, Muscogee County will be the beneficiary of transportation projects costing an estimated \$219,529,850 and based on forecasts by the State will receive a LARP distribution of \$29,341,272. Strategic use of the LARP funds as matching funds could result in an additional \$10,678,360 over the ten years from the Local Maintenance and Improvement Grant (LMIG) Program. As a result, the estimated benefits of the TSPLOST to Muscogee County is a total of \$259,549,482 and is described in Figure 1.

**Figure 1. Transportation Funding Benefits Flowing to Muscogee County from the TSPLOST**



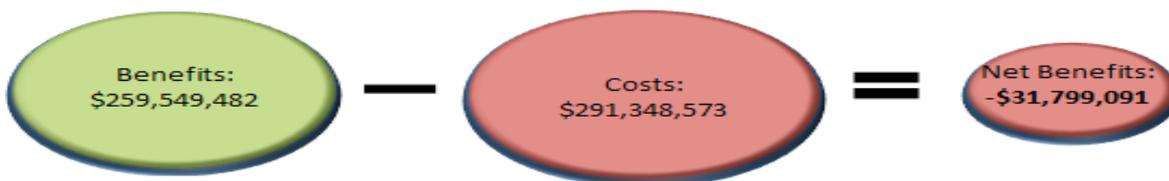
The State estimates that the TSPLOST will generate \$507,771,349 in the River Valley region. We estimate that 66.26% of this is generated in Muscogee County (\$336,469,076) and that residents only pay 86.59% of this amount.<sup>1</sup> As a result we estimate that the TSPLOST will cost Muscogee county residents \$291,348,573.

\* More detail regarding the estimation methodology and assumptions are provided in the extended report.

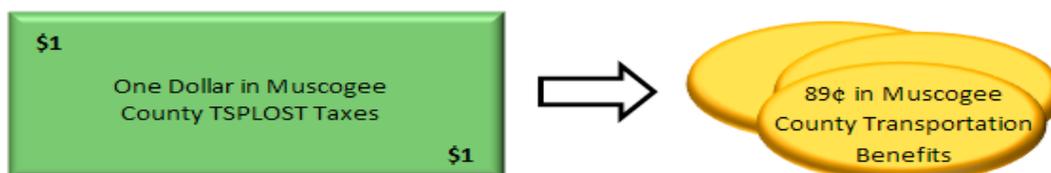
<sup>1</sup> The remaining portion is paid by shoppers from other counties.

The three figures below compare the estimated costs and benefits of the proposed TSPLOST to Muscogee County residents in a variety of ways.

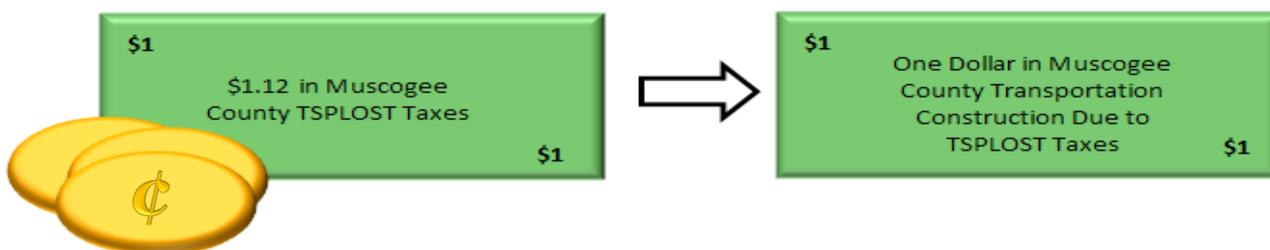
**Figure 2. The Net Benefits of the TSPLOST to Muscogee County Residents is -\$31,799,091**



**Figure 3. Muscogee County Residents receive 89¢ in Benefits per Dollar of TSPLOST Paid**



**Figure 4. Muscogee County Residents Pay \$1.12 for Each Dollar in TSPLOST Benefits**



The above comparisons depend upon the assumption that Muscogee County residents pay 86.59% of the TSPLOST in the county. If this percentage is below 77.14% then the TSPLOST will result in positive net benefits to residents of Muscogee County.

**How would a countywide 1% SPLOST compare to the proposed regional 1% TSPLOST?**

While an equivalent special purpose local option sales tax, or SPLOST, and a TSPLOST would both increase sales taxes by the same percentage, they differ in some key respects.

- Only voters within Muscogee County would determine whether a SPLOST passes.
- SPLOST revenue must be designated for particular purposes which may include transportation uses.
- A SPLOST is not subject to the same exemptions as the TSPLOST.

Table 2 presents a cost/benefit comparison of the proposed TSPLOST and an equivalent 10 year 1% SPLOST designated for transportation on Muscogee County residents.

**Table 2. A Comparison of SPLOST and TSPLOST Costs and Benefits to Muscogee County Residents.**

	SPLOST	TSPLOST	Comparison of SPLOST to TSPLOST
Costs	\$323,831,624	\$291,348,573	Additional \$3.25 million/year tax burden
Benefits	\$373,982,705	\$259,549,482	Additional \$11.4 million/year benefits
Net Benefits	\$50,151,081	-\$31,799,091	Additional \$8.15 million/year net benefits

Alternatively, if imposed for only 7 years, a 1% countywide transportation SPLOST could achieve the same benefits to Muscogee County as the 10 year regional TSPLOST.

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