

## **NITTY-GRITTY DETAIL: Why will taxes go up?**

### **The Villages Independent Fire Control and Rescue District Referendum**

Currently, the funding for VPSD is specified in an Interlocal Agreement between Sumter County and VCCDD. Assuming the referendum fails, the VPSD estimates the amount needed in October 2023 would be \$13 million.

If the District is established, Sumter will reduce their millage because they do not need to collect that \$13 million. Therefore, District residents will have a tax saving on their county property tax that will help offset the new taxes paid to the District.

However, the millage rate reduction is currently unknown since the District will not be established until October 2023. Only when the entire budget is known, will the Sumter County Commission set the new rate.

And that millage rate will apply to all Sumter county residents, not only those living in the District. Even if the Commission set the millage rate so the property taxes collected exactly equaled \$13 million, the total distributed among District residents would not be \$13 million. Part of those savings will be spread among residents outside the District. This means District residents will not get \$1 back for every \$1 that went into the District coffers.

Assessing all county residents the same millage rate is a common practice throughout the country. Millage rates tend to be uniform regardless of whether a resident lives in a city that raises additional taxes to provide city services or lives in an unincorporated area that relies on the county for those services. In fact, Bushnell, Center Hill, Coleman, Webster, and Wildwood all assess their own millage and still pay the same millage as those of us living in the unincorporated areas of Sumter County.