

Section 4 – Tax Credits for Undeveloped Land

The general fund is used to fund existing infrastructure throughout the city. Therefore, properties that are undeveloped and have been paying taxes to the general fund will receive a credit towards their impact fees. Undeveloped property throughout the city contributed a total of \$5,208.34 in property tax toward the general fund in the 2005 tax year.

The percentage contribution (including *rollback* taxes) from undeveloped property to the Kanab City *General Fund* is calculated as follows.

- Total *General Fund* revenue for 2005: \$2,187,999.
- General Fund revenue from property taxes: \$250,000.
- Percentage of general fund revenue from property taxes funded by undeveloped
 - property (5,208.34/250,000): 2.1%
 - Percentage of general fund revenue from property taxes (250,000/2,187,999): 11.43%
 - Percentage of general fund revenue from undeveloped property (2.1% of 11.43): 0.24%

Based on the calculations above it is assumed that *0.24% of general fund revenues are derived from unimproved property*. Credits for tax contributions from undeveloped property will be considered when calculating impact fees for services for which the *general fund* has been used to finance existing facilities.