



This is what you will pay in sales tax alone for the life of the city's light rail plan: \$43,608

The city would like Davidson County residents to believe that a \$9 billion light-rail plan will come out to just a few cents a day — as though \$9 billion is small change.

When that first sales tax increase of .5% takes effect in 2019, the cost for the average household will be \$278.

But what about the cost over time?

The city's light rail plan will cost \$43,608 per household.

$\$20,441,235,000$ (expected total sales tax revenue) \times 80% (Davidson County's share) = $\$16,352,988,000$ (total Davidson County sales tax payment) \div number Davidson County households = $\$43,608$ per household in sales taxes for light rail

1. Start with the estimated sales tax collection for 2023 from the Let's Move Nashville plan, \$225,564,000
2. Find the average rate of growth (4%) in the nominal sales tax revenue for the years with the 1% percent sales tax increase
3. Show the sales tax revenue expected in each year beginning in 2018
4. Factor the share of the sales taxes collected from Davidson County residents for each year (80% sales tax burden)
5. Use the 2016 Davidson County household count, 269,078, to compute the rate of growth of households at 1.07% per year
6. Divide in-county sales tax revenue by the number of households for the yearly tax payment
7. Add the yearly household tax payments through the duration of the plan
8. See how a 50-year sales tax increase and a \$9 billion light rail plan is no small thing to ask Nashvillians to pay.

Sources:

Let's Move Nashville Plan¹ (estimated 2023 sales tax revenue; estimated nominal sales tax rate of growth, pp. 54-55)

U.S. Census Bureau American FactFinder² (data on employment and annual payroll; Davidson County household numbers); American FactFinder data for the Nashville MSA shows Davidson County accounts for 37% of the MSA population; 44% of retail employment; 46% of retail payroll ($37 \div 46 = 80\%$ of the retail revenue and sales tax burden)

¹ <https://letsmoveonashville.com/site/web/assets/2017/12/Nashville-Transit-Improvement-Program-20171213.pdf>

² <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>