

Memo

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To: Karen Selman, Finance Committee
From: Rosemary N. Ryba, Treasurer
CC: Board of Trustees, Village President
Date: July 22, 2011
Re: Nicor Municipal Utility Tax vs. Gas Use Tax

Upon attending the annual IMTA Conference, the subject of Gas Use Tax (GUT) was raised. Barrington Hills currently imposes the Municipality Utility Tax (MUT) where Nicor customers pay a five percent (5%) tax on their total bill. After contacting our Nicor representative, it was discovered that ten percent (10%) of the accounts use out of state suppliers where the natural gas is being distributed by Nicor. These accounts currently pay no MUT.

If the Village were to convert to GUT by ordinance, all accounts would be charged .05 per therm used instead of the 5% of the total bill.

Based on the year ended December 31, 2010 report (attached), this would result in an increase in annual revenue by \$91,209.31.

At the July 21, 2011 meeting of the Finance Committee upon consent of the members, this discussion is to be brought to the BOT Meeting of July 25, 2011. The subject is to be readdressed in six months.