

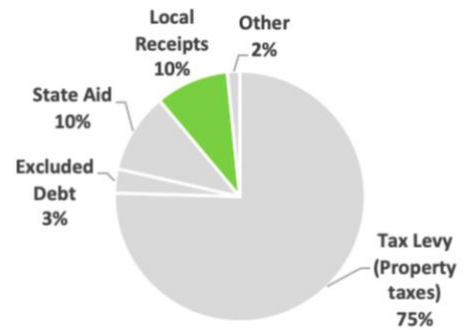
# Inside Town Finances

## Volume 2: Local Receipts

### Overview

10% of the Town's revenue comes from local receipts. As implied by its name, local receipt revenue is collected by the Town for various services, mostly in the form of fees.

Local Receipts revenue is sensitive to overall economic conditions, particularly its largest categories.



### What's included in Local Receipts?

Hingham's Local Receipts include the following:

- Motor Vehicle Excise Tax (\$4,700,000)** – Motor Vehicle Excise Tax represents nearly half of Hingham's Local Receipts. Vehicles that are garaged in Hingham are assessed an annual motor vehicle excise tax (rate is set by the Commonwealth) that is based on the value of a vehicle. The higher the value of a vehicle, the higher the excise tax. Amounts collected in a given year are increased by new vehicle sales. The Treasurer/Collector issues and processes excise tax bills and payments.
- Ambulance Revenue (\$1,400,000)** – Hingham operates its own ambulance service, which receives the majority of its revenue from Medicare, Medicaid, and insurance. Ambulance Revenue offsets nearly 25% of the total Fire and Emergency Management budget.
- License and Permit Revenue (\$1,000,000)** – The largest revenue source in this category is Building Permits. Building permit revenue is an indicator of New Growth (which is part of the tax levy and is described in more detail in Volume 1 of this series). Building permit revenue offsets many of the costs associated with Town land use and permitting departments. Other sources of revenue in this category include Shellfish permits (administered by the Harbormaster), birth, death, marriage, and business certificates, and dog licenses (all administered by the Town Clerk).
- Meals Tax Revenue (\$800,000)** – in 2009, the MA legislature approved a local option allowing municipalities to levy up to a 0.75% tax on the sale of restaurant meals. The 2010 Annual Town Meeting authorized this tax at the maximum allowed limit, with the stated intent of using funds for non-recurring expenses. By 2015, approximately \$2 million in Meals Tax revenue was collected. The Town used these accumulated funds to reduce the taxpayer cost of the design and construction of the Middle School. In addition, beginning in 2015 - and every year since - the Town has applied \$600,000 in Meals Tax collections to further reduce the taxpayer cost of the Middle School (this action results in unused levy capacity, a topic that will be discussed in a subsequent volume of this series).
- Payment in Lieu of Taxes (\$700,000)** – Some Hingham businesses make a payment in lieu of property taxes.
- Investment Income (\$500,000)** – Hingham invests its cash on hand (also called free cash) in low-risk securities. Hingham does not engage in speculative investments of Town funds.
- All Other (\$1,200,000)** - This includes penalties and interest, boat excise tax, charges for services, special assessments, fines and forfeits, and departmental revenue.

