

# Howard Nearing Record Sales Tax Revenue

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**HOWARD** - The effects of a project conducted by high school students in the mid-1990s have Howard on the verge of collecting the most sales tax revenue in the city's history.

Students during the 1995-96 school year conducted a study that showed that increased spending within the city's borders can dramatically increase the city's sales tax revenue. Just 10 percent more spending locally could generate millions of dollars in gross sales increases, the study showed.

**In 2000, the city collected more than \$225,900. With three months left to report in 2002, the community already has collected more than \$160,000.**

**"In 2000, it was a cold winter, which meant an increase in fuel costs and it was harder for people to get out of town," said Randy Parry, executive director of Miner County Community Revitalization. "At this rate, 2002 will exceed each of the previous two years."**

Howard City Finance Officer Donna Klinkhammer said the increased sales tax revenue has helped upgrade streets and, this year, has aided in purchasing a fire truck.

"We probably wouldn't have been able to keep upgrading streets if we didn't have the increase," said Klinkhammer.

All this might not have been possible if it



ANN MCKINNEY, A cashier at Rusty's Food Store in Howard, stocks some groceries on a shelf.

wasn't for a group of Howard High School students involved in Future Business Leaders of America during the 1995-1996 school year. After reading a book that talked about an Iowa town dying during the Depression, the students decided they didn't want Howard to end up that way.

The students developed an awareness survey that was distributed to all 1,100 households in Miner County. An estimated 65 percent of the households returned the surveys. The goal was to make residents aware of the importance of buying locally.

"There was some excitement in doing the cash flow survey with the feeling that we could make a difference," said Katie Buttemeier, a Howard High School graduate who now works as an auditor at a CPA firm in Colorado. "Our class involvement in the project has contributed to the continued growth of Howard."

After the survey, students joined forces with community leaders and held different visionary meetings to discuss results. The students also did some calculations showing what would happen if shoppers spent 10 percent more locally.

"The survey showed that if community members spent 10 percent more locally of their income, we would have seen a \$2.3 million gross sales increase for the community," said Parry. "However, the actual increase of gross sales was \$15.6 million for 1996."

Evidently, the project is still working for Howard, a town of about 1,100 located on Highway 34.

Mike Hiltunen, co-owner of Rusty's Food Store, said his business has seen an increase in gross sales.

"People are buying more groceries," he said. "We're always trying to improve groceries that we can offer our customers."

Hiltunen said that when the students conducted the survey, it opened people's eyes to the fact that the more dollars they spend locally, the better off a community can be because of those added tax dollars.

"The more money that stays in the community, the larger the tax base and the more money the county, schools and the city has to work with," Hiltunen said.

Howard shoppers pay a two-cent sales tax when buying locally.

For the first two years after the survey and meetings, sales tax revenue increased to as much as \$207,000 in 1997. Revenues dipped down a bit in 1998 and 1999 to as low as \$193,000 in 1999, but increased once more in 2000 and 2001.

Parry said the attitude of the community has a lot to do with increased revenues.

"There is some hope they can make a difference," he said. "There is tremendous collaborating and networking to make changes happen. The community understands this is what a small community has to do to survive. It is all about togetherness and it has come about because of social trust."

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