

Resolution: 2005-001

2005 Utah League of Cities and Towns Resolution – 2006 Tax Reform Package

Resolution submitted by the ULCT Tax Team in support of legislation implementing the Utah League of Cities and Towns 2006 Tax Reform Package

We, the members of the Utah League of Cities and Towns, find the following:

- *The municipal tax structure should be rooted in the principles of fairness, consistency, predictability, stability, sustainability, efficiency, flexibility, and effectiveness.*
- *A one-size tax structure does not fit all municipal situations.*
- *Portions of the current tax structure are obsolete and no longer represent the current economy.*
- *As demographics and economics change municipal services must reflect those changes.*
- *Municipalities' dependence on sales tax revenue creates a situation where day to day needs cannot be met when this revenue decreases unless other services or revenue sources are adjusted.*

The purpose of the 2006 Tax Reform Package is to bring additional fairness, consistency and sustainability to the municipal revenue sources that are used to provide the services that citizens have come to expect from their local governments.

The 2006 Tax Reform Package will:

- (1) Maintain the current 50/50 distribution formula for the municipal sales tax.
- (2) Convert the current 1983 local options sales tax hold-harmless from one of an on-going formula to a dollar-figure based on the most recent budget year, where the hold-harmless is phased out naturally.
- (3) Amend Truth-in-Taxation to allow for a CPI adjustment without going through that process.
- (4) Amend Truth-In-Taxation to make the newspaper ad more informative and less inflammatory.

Now, therefore, be it resolved that we, the members of the Utah League of Cities and Towns, recommend the following:

Support the 2006 ULCT Tax Reform package as proposed by the ULCT Tax Team.