

Resolution: 2012-004 – Sales Tax and Economic Development

Economic Development and Sales Tax

A Resolution of the Utah League of Cities and Towns regarding economic development and tax stability

WHEREAS: The municipal tax structure should be rooted in the principles of fairness, consistency, predictability, stability, sustainability, efficiency, flexibility, and effectiveness.

WHEREAS: A one-size tax structure does not fit all municipal situations.

WHEREAS: Portions of the current tax structure are obsolete and no longer represent the current service based economy.

WHEREAS: As demographics and economics change municipal services must reflect those changes.

WHEREAS: 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.

WHEREAS: The current economic development incentives for local governments don't match the incentives for the state, where the state pursues job creators to gain greater income tax, local governments pursue sales tax generators to better balance their budgets.

NOW THEREFORE: be it resolved that the Utah League of Cities and Towns petitions for this Resolution to allow the ULCT and its staff to work with all interested parties to formulate a strategy to create long-term sustainability in local government financial tools. Recognizing the sensitivities of distribution of sales tax, discrepancies in funding for transportation projects, and other items that may prove to create some contention among members, the intent of this resolution is to serve to memorialize what may be a multi-year effort.