

# COUNCIL DECISION REQUEST

SUBJECT: Proposed Sales Tax Increase

MEETING DATE: April 1, 2010

PAYSON GOAL: NEW:      EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Debra A Galbraith

AMOUNT BUDGETED: \$0.00

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED: \$0.00

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED: \$0.00



EXHIBITS (If Applicable, To Be Attached):

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## POSSIBLE MOTION

- 1) I move to direct staff to proceed with the notice of a public hearing to discuss a possible increase to the Bed Tax and a new sales tax on car rentals.

## SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

The Town has the option to increase various sales taxes as the need arises. The Budget Committee (Vice Mayor Vogel, Council Member Su Connell, Council Member Michael Hughes, CFO Cindy Smith, Budget Analyst Hope Cribb, Town Manager Debra Galbraith) would like to propose raising the Bed Tax from 3% to 5%, and implementing a new sales tax of 5% on car rentals for the 2010/2011 fiscal year and beyond. Both of these taxes are paid by out-of-town persons, for the most part.

Increasing the Bed Tax by 2% would increase the estimated bed tax revenue by around \$85,500. Implementing a 5% car rental tax would add \$15,000-\$20,000 in revenue. Many other cities/towns assess a car rental tax.

To increase sales taxes, notice in the newspaper is required at least 15 days prior to the public hearing to discuss. Should this motion pass, the public hearing and possible adoption of the increased taxes would take place at the May 6, 2010 Council Meeting.

## PROS:

## CONS:

## PUBLIC INPUT (if any):

## BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

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## FUNDING:

Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
BA:				Date: _____

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