

SALES TAX ADVISORY COMMITTEE PRESENTATION

JANUARY 9, 2018

Hon. Ramón Valadez

Pima County Supervisor

District Two

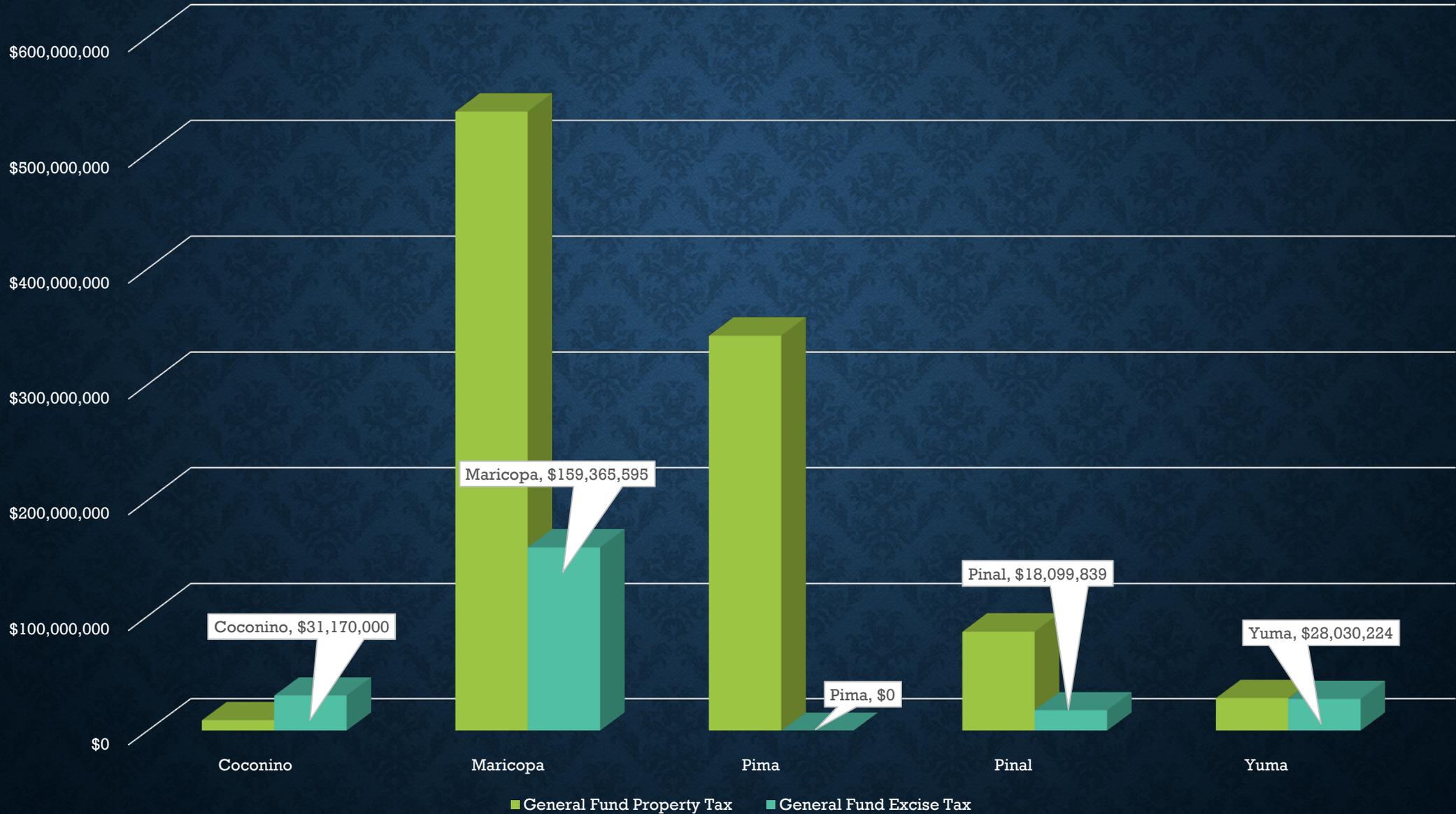
WHAT WE KNOW



- The regional problem requires \$800 million - \$1 billion to solve
- 25 cent Property tax generates approximately \$19.6 million

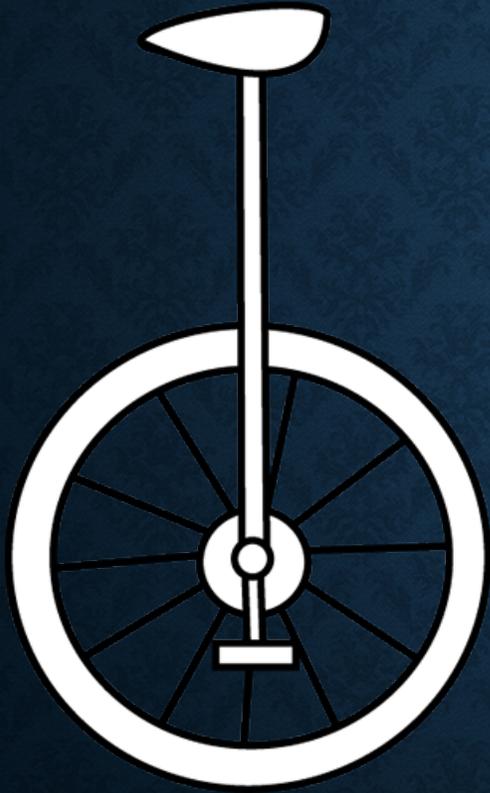
(Roughly 2% of what is necessary)

FY 2017-18 Adopted Budgets



Source: General Fund Property Tax as reported by ATRA & Maricopa.Gov archive

**FOR RELIABILITY AND STABILITY:
ONE WHEEL OR TWO?**



**Reliance on Property Tax
Only**



Reliance on Sales & Property Tax



CAN & CANNOT

WHAT WE CAN'T DO

The Board of Supervisors lacks the authority to refer such a matter to the voters (ARS 42-6107)

WHAT WE CAN DO

The board has the authority to assess a $\frac{1}{2}$ cent sales tax which will generate approximately \$80 million by a **UNANIMOUS VOTE** (ARS 42-6103)

Cannot Be Delegated:

Creation and
Collection of Revenues

Appropriation and
Allocation of Revenues



- I directed staff to draft a plan that deals with the 2 components we can't delegate. My intent is to place that plan on the agenda by way of an ordinance that will only require 3 votes.

Ordinance spelling out expenditures
will have already been adopted

THE BOS VOTE

Will be up or down ONLY on
levying a $\frac{1}{2}$ cent sales tax.

For Your Consideration:

- Non-Resident/Visitor Contribution (=>17%)
- Low Income Mitigation
- Arizona Income Tax Credit for Increased Excise (Sales) Taxes
- Program Management

Thank You for Your Service
and Your Time