



November 19, 2010

Mr. A.D. Frazier
Special Council on Tax Reform and Fairness
c/o 2930 Briarglen Drive
Atlanta, GA 30340

Dear Mr. Frazier,

The Atlanta Regional Commission is submitting the following comments for your consideration as you and the other members of the Special Council on Tax Reform and Fairness analyze the current revenue generation system in Georgia.

We believe it is critical that any recommendations of the Council:

- Hold local governments harmless; changes recommended by the Council should not affect the ability of local governments to collect the revenue they need to provide services to their citizens.
- Remove all artificial influences on property assessments including freezes and moratoriums.
- Provide the same revenue raising options to all equivalent local governments (cities, counties, school boards). If a tax is available to one local government, it should be available to all equivalent local governments.
- Improve the transparency of sales tax collection and distribution. Too often the total amount collected from one penny of the sales tax does not match the total amount collected from another penny of the sales tax in the same jurisdiction. The General Assembly should also appropriate 100% of the fees to their dedicated purpose.
- Improve data sharing on revenue generation and distribution with local government. A local government advisory panel should be created and meet quarterly with DOR to ensure state and local governments are working together on tax collection issues.
- Expand the sales tax to include services and remote sellers. Ensure that all expansions to the sales tax include both the state and local portions of the sales tax.
- All taxes and caps that have been in place for at least 10 years should be revisited to assess relevance and effectiveness. Examples include caps on business licenses on specific occupations and differences in the taxes on alcohol sales and alcohol

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consumption. Consider requiring all tax exemptions to expire after 5-7 years ensuring that they are reviewed for their effectiveness and relevance on a regular basis.

- Remove all exemptions from the regional sales tax proposed in HB 277. At a minimum the exemption on the motor fuel tax must be removed and the tax exemptions in the Regional Sales Tax for Transportation should be no greater than exemptions in a traditional SPLOST. In addition, there is no way to change a capital project approved in a SPLOST or Regional Transportation Referendum. Unforeseen circumstances and changing desires of the public can create a need to make changes to previously approved projects. There should be a process by which the voters through a future referendum can change capital projects previously approved.

Thank you for all the time and effort you and the other Council members are investing in this important endeavor. We believe that now is an important time to ensure that our tax system is an engine and not a hindrance to the economic growth of the state.

Sincerely,

A handwritten signature in black ink that reads "Tad Leithead". The signature is written in a cursive, flowing style.

Tad Leithead
Chair