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CITY OF GORDON

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Georgia House of Representatives
Special Council
State Capital Room 133
Atlanta, GA 30334-

Comments to Tax Reform & Fairness Council

August 26, 2010
Macon College

Comments made by Kenneth L. Turner, Mayor City of Gordon

Thank you, Chairman Frazier for giving me time to speak. Thank you and council for your service to this important work which will serve our state well.

Tax reform is an issue that needs to be faced with objective minds, and reform has been long overdue. I remember that I was on a special joint ACCG/GMA committee working with the Department of Revenue, whose goal was to improve sales tax collections. The year was 1997, and as a state we have made little improvement on that front. Point of sale is a fundamental issue that must be dealt with next year. A pilot project with four counties and multiple cities indicated between 25 and 35% of businesses in these areas were not paying sales tax. Approximately 20-25% of these businesses did not have business licenses. Full collection of Sales Tax would be a fairness issue as well as helping the state, counties, and cities to achieve full collection of taxes under current law.

To compliment a full sales tax collection HR1093 was passed. However, HR1093 only went half way toward achieving the original purpose of the bill. We urge the council to require D.O.R. to install a web portal which will help develop occupational tax information. A small change in HR1093 regarding addresses to be provided- the addresses should be physical addresses not just a post office box number.

Sales Tax Data - D.O.R. should be required to furnish sales tax collection data to city/county government. The cities/counties should submit business data to D.O.R.

MOST- Give cities the flexibility to ask voters, by referendum, to install a Municipal Option Sales Tax to be used to repair and replace aging infrastructure to attract jobs to their cities. The most tax would offset the necessity of implementing additional property taxes.

Sales Tax Exemptions: Sales tax exemptions have eroded sales tax collections by a non-sensible percentage. To some extent when the legislature grants tax exemption, then the result is the tax burden is transferred to another tax class.

Please recommend all or most of the sales tax exemptions to be abolished.

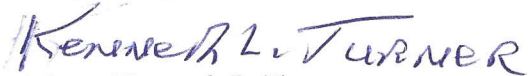
Finally- Please do not remove existing fees or taxes from local governments preview. Pressure is mounting on State Legislature to alter or remove franchise fees from several, for profit, businesses. The streets of Gordon are not the property of the state, or a Utility Company. The streets and right of ways are under the legal ownership of the City of Gordon.

We realize that no one revenue situation will work for everyone. Please allow local governments some flexibility to provide a diverse and to even broaden their tax base. Some Cities/Counties have a budget funded 40-50% by property taxes. I was a City Councilman, a few years ago, in Hephzibah that levied 0% property taxes. Another example is the City of Gordon whose budget is funded by sales tax (LOST) and franchise fee at a rate of 60% of total General Fund budget and other local governments are funded at a 10% percentage rate. My experience background is:

- 4 years City Council- Gordon
- 3 years City Council- Hephzibah
- 4 years County Commission- Wilkinson
- 4 years County Commission Chair- Wilkinson
- 9 years Mayor- City of Gordon

Thank you for taking my comments into consideration.

Respectfully Submitted,


Mayor Kenneth L. Turner,
City of Gordon

Bcc- Mark Baggett- GMA- Atlanta