City and Borough of Juneau
Assembly Finance Committee Meeting Agenda
Wednesday, February 11, 2015, 5:30 p.m.
Assembly Chambers

I. Call to Order

II. Roll Call

III. Approval of Minutes
Wednesday, January 21, 2015 (pgs. 2-4)

IV. TERC Recommendations Summary (pgs. 5-6)
   A. Information on CAP, non-residents & restaurant sales tax exemptions (pg. 7)
   B. Information on senior sales tax & property tax hardship exemption (pg. 8)

V. Other Exemption Change Options

VI. Backup Information Items
   A. Raising sales tax CAP overview (pg. 9)
   B. Senior sales tax exemption overview (pgs.10-11)
   C. Federal Poverty (AK only) Matrix (pg. 12)
   D. Property tax hardship exemption tiered program overview (pg.13)
   E. Other Exemption & Revenue Ideas Reviewed by TERC (pg. 14)

VII. Next Meeting Date
    Wednesday, February 18, 2015

VIII. Adjournment
I. Call to Order
The meeting was called to order at 5:30 PM by Karen Crane, Chair.

II. Roll Call
Committee Members Present: Karen Crane, Merrill Sanford, Mary Becker, Debbie White, Jesse Kiehl, Jerry Nankervis, Kate Troll, Maria Gladziszewski, Loren Jones
Committee Members Participating Telephonically: None
Committee Members Absent: None

III. Change to Agenda
Item V. "Cruise Ship Berth Expansion Revenue Bond Update" was removed, and will be addressed at a future meeting.

IV. Approval of Minutes
The December 17, 2014 minutes were adopted as presented.

V. FY14 Financial Audit Overview, CBJ, JSD & BRH
Bob Bartholomew offered hardcopies of the CAFR, in addition to electronic copies available online. Bob introduced Elgee Rehfeld Mertz, LLC as the auditor for the City, along with CBJ's Controller, Mary Norcross, CIP Grants Accountant, Janella Lewis, Grant Accountant, Kevin Steigerwalt, and Assistant Controller, Jean Hodges.

Bob turned the time over to Max Mertz, CPA & Partner with Elgee Rehfeld Mertz, LLC.
Mr. Mertz went through a slide presentation.
Mr. Mertz discussed JSD audit & findings.
Mr. Mertz discussed BRH audit & findings.
Mr. Mertz discussed CBJ audit results.

Ms. Crane asked Bob Bartholomew to explain investment monitoring and financial forecasting procedures. Bob reported that the big change that had been made in the last year was going from internal investment management for half of CBJ's investment portfolio to 100% external investment management. The audit finding related to two pieces, the first pertained disclosing in the footnote of the financial statements exactly how much cash we have and relating characteristics of the investment. CBJ needed to add some more accounts to the footnotes. The second piece of the finding pertained to the oversight on the investment transactions. Our contractor in Anchorage, Alaska Permanent Capital, has two mandates from the City; one to invest funds in Corporate Bonds and another to mandate to invest in U.S. Treasuries or U.S. Securities. We look at the monthly statements and the contractor reports each month. But we hadn't been keeping a written record...
Minutes - Assembly Finance Committee Meeting
Wednesday, January 21, 2015, 5:30 p.m.

showing that we had looked at what was purchased, looked at our policies and determined that they complied. We and the contractor are comfortable that they have complied, but we will document it moving forward. We think things are stable with the investments.

VI. Increase Tobacco Excise Tax Ordinance
Ms. Crane mentioned that this Ordinance had already been passed on to the Assembly, it had been introduced at the last Assembly meeting and is up for adoption at the next Assembly meeting.

Mayor Sanford mentioned that he thought there were some questions regarding the use of the funds that would be collected. Where do we put those funds? What are they going to be used for? Ms. Crane did not think that was part of the Ordinance. Mr. Bartholomew said, at this point we haven’t identified the potential uses. We need to wait and see if it is going to happen. We haven’t included it in our FY16 budget or FY15 budget updates yet. If the Ordinance were to pass, there would be two major paths that could be taken:
One of the options would be to allow the revenue to go into the General Fund or you can look at specific issues, specific tasks or projects. Historically, when the tobacco tax has been increased, there has been supporting language to use it to help fund two primary purposes. Of the current tobacco tax, 15% goes into the Bartlett Hospital Operating Budget and the remaining 85% is committed to social services. We have a list of grants that the Assembly approves every year, and those grants are about a little over $1.5 million, which is more than our tobacco tax. That is what we have said it was used for historically, but it hasn’t been “dedicated” in the past. As a part of putting together the ordinance, the $1.7 million projected increase resulting, we haven’t had any internal discussion or with the Assembly regarding where it would go. Ms. Crane said that she thought there had been some discussion that some of this might go to Housing First. Mayor Sanford said he wanted to know where the money was going to go before he would approve it. Ms. White also wanted be able to tell the public where the funds were going to go.

Ms. Gladziszewski asked if the 15/85 was more of a legend or if it was recorded somewhere. Mr. Bartholomew said that this information was located in the budget allocation notes, so it has just been for the last few years that there has been a little flexibility where it moves to. However the costs have certainly increased more than the revenue has been able to fund the costs, so the General Fund has been picking up the offset.

Ms. Troll thinks it is worthwhile to determine where the funds will go, and would like Staff to come forward with recommendations of where to put the additional funds. Ms. Crane requested that there still be broad enough flexibility for the needs that present themselves, there is flexibility to meet those needs with the funds.

Mr. Bartholomew said Staff could develop a list of ideas, but asked for clarification and guidance to determine if some of the revenue could go towards the sustainability of the existing operating budget. He recommended using some of the revenue to help balance the
Minutes - Assembly Finance Committee Meeting
Wednesday, January 21, 2015, 5:30 p.m.

FY16 Budget that has already adopted the expenditures, but relied on using some Fund Balance and CIP funding.

Mr. Kiehl said that at a minimum, replacing that general fund support to the things that we have traditionally funded with the tobacco tax revenue would help serve that purpose. He expressed that his own key priorities for monies raised from an excise tax on an addictive product would be funding addiction services, along with a piece of that being Housing First. He went on to say that the Assembly has committed to provide a significant piece of funding for construction and they (Housing First) have also said they will need a little help with operations. In an ideal world Mr. Kiehl thought he'd look at the grants to social services non-profits. He didn't know if we are going to get that kind of revenue. I think that funding the things we have been funding with Tobacco Tax Revenue instead of using General Funds would be key.

Mayor Sanford said that he hadn't heard that Housing First would need help with Operating Funds, like Mr. Kiehl had heard. The Mayor asked that staff please clear up the confusion.

Mr. Jones reminded everyone that the Assembly can't by ordinance or by any other manner dedicate funds. Instead, these are decisions that get made at Assembly Finance meetings every year. He went on to say, we are precluded by our own charter from saying where the funds will go.

Ms. Crane asked that Staff provide proposals for further discussion.

VII. Information Item – Report on Review of the Parks and Recreation Department
Ms. Kiefer introduced the topic and asked if there were any questions pertaining to the report.

Mr. Nankervis wondered if this had gone out to bid. Ms. Kiefer said that this was conducted under a professional services contract that is not required to go out to bid.

Mr. Kirk Duncan discussed the report.

VIII. Next Meeting Date
Wednesday, February 11, 2015 - (Review TERC recommendations)
Wednesday, February 18, 2015 - (Regular meeting)

IX. Adjournment
Meeting was adjourned at 6:30 PM
City & Borough of Juneau  
Tax Exemption Review Committee  
January 15, 2015

Summary of Final Recommendations to CBJ Finance Committee

1. * Increase the sales tax cap on sale of single item or single service from $7,500 to $14,000.

2. * Remove Senior sales tax exemption eligibility for non-Juneau residents

3. * Remove Senior sales tax exemption for meals purchased at restaurants / eating establishments

4(a). ** All Seniors would be exempt on essentials (food, electricity and heating fuel). All other purchases subject to tax unless qualifying for income based program.

   Seniors qualifying on an income level of 250% AK Poverty would retain the existing full exemption on all qualifying purchases.

   Lower the property tax hardship income qualification level from 120% of median income to a 4 tiered program based on 250% of the federal poverty level for Alaska.

5. ** Sales Tax Administrator & Finance Director recommend effective date of change, if any, be July 1, 2015.

** Sales Tax Administrator & Finance Director recommend effective date of change, if any, be January 1, 2016.
City and Borough of Juneau  
Tax Exemption Review Committee (TERC)  
January 15, 2015

<table>
<thead>
<tr>
<th>Summary of Final Recommendations to CBJ Finance Committee</th>
<th>Tax Revenue Raised/no Longer Exempted</th>
<th>Remaining Tax not Being Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the sales tax cap on sale of single item or single service from $7,500 to $14,000.</td>
<td>$750,000 - $900,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>2. Remove Senior sales tax exemption eligibility for non-Juneau residents</td>
<td>$195,000 - $340,000</td>
<td>$0</td>
</tr>
<tr>
<td>Remove Senior sales tax exemption for meals purchased at restaurants / eating establishments</td>
<td>$50,000</td>
<td>$0</td>
</tr>
<tr>
<td>4(a). All Seniors would be exempt on essentials (food, electricity and heating fuel). All other purchases subject to tax unless qualifying for income based program.</td>
<td>$1,200,000</td>
<td>$915,000</td>
</tr>
<tr>
<td>Seniors qualifying on an income level of 250% AK Poverty would retain the existing full exemption on all qualifying purchases.</td>
<td>$0</td>
<td>$840,000</td>
</tr>
<tr>
<td>Lower the property tax hardship income qualification level from 120% of median</td>
<td>$75,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>5. Income to a 4 tiered program based on 250% of the federal poverty level for Alaska.</td>
<td>$75,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
TERC Committee Recommended Changes to Tax Exemptions

1. Estimated effect of increasing the $7,500 "CAP" on the individual sale of goods or services. This would increase the amount of a large sales transaction subject to the 5% sales tax. Revenue estimates based on 2013 data.

<table>
<thead>
<tr>
<th>Revenue Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>TERC Committee Proposal to Raise CAP on individual sale of goods or services from $7,500 to $14,000.</td>
</tr>
<tr>
<td>$10,000 (33% increase)</td>
</tr>
<tr>
<td>$11,500 (53% increase)</td>
</tr>
<tr>
<td>$15,000 (100% increase)</td>
</tr>
</tbody>
</table>

2. Estimated effect of limiting the senior sales tax exemption to Juneau residents. We issue 50 - 75 new non-resident exemption cards each year. There are over 600 cards outstanding. Revenue estimates based on 2013 data and assumption that 7 - 12% of all exempt senior sales are to non-residents.

| TERC Committee Proposal to Limit Senior Exemption to Residents. | $195,000 - $340,000 |

3. Estimated effect of eliminating the senior sales tax exemption for meals purchased at restaurants / eating establishments. Revenue estimate based on 2013 data.

| TERC Committee Proposal to Eliminate Tax Exemption on Restaurant Meals. | $50,000 |
4. All Seniors would be exempt on essentials (food, electricity and heating fuel). Seniors qualifying on a needs-basis would retain full-exemption on all purchases.

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Senior Exempted Sales Tax</td>
<td>$2,800,000</td>
</tr>
<tr>
<td>Exempting Food Purchases</td>
<td>(550,000)</td>
</tr>
<tr>
<td>Exempting Residential Electricity</td>
<td>(130,000)</td>
</tr>
<tr>
<td>Exempting Heating Fuel</td>
<td>(235,000)</td>
</tr>
<tr>
<td><strong>Total current taxes exempted for essentials</strong></td>
<td><strong>($915,000)</strong></td>
</tr>
</tbody>
</table>

Net Revenue Gain from Limiting Exemption to Essentials exemption @ 250% poverty, in addition to essentials

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Revenue Gain from limiting exemption to essentials &amp; a needs based program</td>
<td>$1,245,000</td>
</tr>
</tbody>
</table>

5. Estimated effect of establishing a tiered income qualification for the senior property tax hardship exemption. For a single household of 2 the qualifying level for a 100% exemption drops form $91,320 to $49,150. For qualifying incomes between $49,151 and $78,640, depending on level, you would qualify for a partial tax exemption.

TERC Committee Proposal to implement tiered income level for property tax hardship exemption. $75,000
City and Borough of Juneau  
Tax Exemption Review Committee  
January 8, 2015

$7,500 Tax CAP on the Sale of a Single Item/Service

**Summary:** Under these two exemptions, only the first $7,500 of the selling price of a single item or a single service is taxed. The maximum sales tax per transaction under these exemptions is $375.

- **Single Item CAP:** That part of a selling price of a single item that exceeds seven thousand five hundred dollars. For purposes of this subsection, a single item is: (A) an item sold in a single sale consisting of integrated and interdependent component parts affixed or fitted to one another in such a manner as to produce a functional whole. (CBJ 69.05.040(21))
- **Single Service CAP:** That part of the periodic selling price of a single service that exceeds seven thousand five hundred dollars. The periodic selling price is the amount owed on a calendar month or invoice basis, whichever is more frequent. (CBJ 69.05.040(22))

**Overview:**
- The sales tax CAP was originally introduced in 1983 to help prevent residents from purchasing high ticket items outside of Juneau. The original cap was $5,000.
- The CAP was last increased to its current level of $7,500 in 1991. Alaska/Anchorage inflation since then increased 65%. Adjusting for inflation since 1992, the $7,500 cap would equal $12,375.
- Nearly $120 million in sales ($68 million in goods & $52 million in services) were exempted under the CAP in 2013.

**Results of Increasing the CAP:**

<table>
<thead>
<tr>
<th>CAP Level</th>
<th>Tax Amount Per Transaction</th>
<th>Estimated Revenue Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000 (33% increase)</td>
<td>$500</td>
<td>$325,000 - $375,000</td>
</tr>
<tr>
<td>$11,500 (53% increase)</td>
<td>$575</td>
<td>$475,000 - $580,000</td>
</tr>
<tr>
<td>$14,000 (87% increase)</td>
<td>$700</td>
<td>$750,000 - $950,000</td>
</tr>
</tbody>
</table>

**Committee Recommendation**

The committee is recommending that the CAP be raised to $14,000.
Senior Citizen Sales Tax Exemption

Summary: Anyone 65 years of age or older who is a resident of the state is exempt from CBJ sales tax for the sales of goods, services and rentals, with the exception of sales of alcoholic beverages, that are solely for the personal use or consumption of the cardholder, the cardholder's spouse, or same-sex domestic partner. [CBJ 69.05.045]. The initial exemption was established in December 1979.

Tax Exemption Overview:
- Approx. $57 million in sales were exempted as senior citizen sales during 2013.
- Estimated sales tax revenue exempted in 2013 was $2.8 million.
  - Exemption Sub-categories
    - Food - $550,000
    - Residential Electricity - $130,000
    - Residential Heating fuel - $235,000
    - Non-resident exemption - $195,000

Demographics
As of 2013 the citizens 65 and above were 9.8% of the Juneau population. The Alaska Department of Labor estimates that the growth in senior population will significantly exceed the overall Juneau population growth through 2025. Current estimates are that seniors will be 15% of the population in 2020 and be over 18% by 2025.

Previous Review of the Exemption Program
- 1988 & 1989 Assembly Action – Expanded exemption to all Alaska senior residents & expanded the exemption to include the senior's spouse.
- 1999 Mayor Fiscal Policy Task Force – Recommendation to phase out the senior exemption based on concern of the growing cost. Assembly took no action on the recommendation.
- 2005 Assembly Tax Policy Subcommittee - recommend a 10 year process, beginning in 2006, evolving towards elimination of the exemption in 2016. Each year, for 10 years, the eligible age would be raised by 1 year transitioning from 65 up to 75 years old. Thus to be eligible you would have to have been 65 by January 1, 2006 and would have benefited from the exemption for 10 more years. There would have been no new seniors, below the age of 65 in 2006, qualifying for the exemption. The exemption would have completely ended in 2016.
- 2006 Senior Sales Tax Exemption Task Force – recommended: 1) removing eligibility for non-Juneau residents, 2) each year, for 10 years, the eligible age would be raised by 1 year transitioning from 65 up to 75 years old, and 3) from 2016 forward residents 75 years of age and older would qualify for the exemption. From 2006 to 2016 seniors below the age of 65 in 2006 would have to wait at least 10 years to become eligible.
Committee Recommendation
The committee is recommending 2 changes to the exemption:
1. Establish and income (needs) based program setting the household income threshold at 250% of household income (2 person household $49,150). Seniors at or below the income level would continue to qualify for 100% of the existing sales tax exemption.
2. For all seniors with household income exceeding the income threshold to reduce to the existing exemption to cover 3 essential items (food, electricity & heating fuel).

Program Administration
CBJ staff has reviewed the program administration issues of the proposed changes to the senior exemption. As currently proposed, two different types of senior cards would need to be issued, with certain seniors qualifying for exemption on all purchases and others receiving exemption on certain items. The proposed change would be a greater administrative burden to both merchants and CBJ staff than the existing senior program. Staff working with merchants will continue to assess how best to implement the proposed changes.
**2014 Federal Poverty Level – Alaska Only (AFPL)**

### Alaska

<table>
<thead>
<tr>
<th>Family Size</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>95%</th>
<th>100%</th>
<th>133%</th>
<th>175%</th>
<th>200%</th>
<th>250%</th>
<th>300%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,004</td>
<td>$6,008</td>
<td>$9,011</td>
<td>$9,984</td>
<td>$11,215</td>
<td>$1,676</td>
<td>$2,126</td>
<td>$2,430</td>
<td>$2,638</td>
<td>$3,645</td>
</tr>
<tr>
<td>2</td>
<td>$4,410</td>
<td>$8,819</td>
<td>$11,229</td>
<td>$11,327</td>
<td>$11,633</td>
<td>$1,219</td>
<td>$1,867</td>
<td>$2,377</td>
<td>$3,096</td>
<td>$5,025</td>
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<tr>
<td>3</td>
<td>$5,115</td>
<td>$10,231</td>
<td>$13,446</td>
<td>$13,670</td>
<td>$14,062</td>
<td>$2,123</td>
<td>$2,742</td>
<td>$2,742</td>
<td>$3,123</td>
<td>$5,135</td>
</tr>
<tr>
<td>4</td>
<td>$6,211</td>
<td>$12,423</td>
<td>$16,664</td>
<td>$17,013</td>
<td>$17,485</td>
<td>$3,303</td>
<td>$4,349</td>
<td>$4,970</td>
<td>$6,213</td>
<td>$7,455</td>
</tr>
<tr>
<td>5</td>
<td>$7,227</td>
<td>$14,454</td>
<td>$18,772</td>
<td>$18,882</td>
<td>$19,288</td>
<td>$5,090</td>
<td>$5,817</td>
<td>$6,217</td>
<td>$7,271</td>
<td>$8,723</td>
</tr>
<tr>
<td>6</td>
<td>$8,338</td>
<td>$16,666</td>
<td>$22,999</td>
<td>$23,332</td>
<td>$23,532</td>
<td>$5,332</td>
<td>$6,131</td>
<td>$6,600</td>
<td>$8,229</td>
<td>$9,995</td>
</tr>
<tr>
<td>7</td>
<td>$9,399</td>
<td>$18,788</td>
<td>$26,042</td>
<td>$26,199</td>
<td>$26,353</td>
<td>$5,594</td>
<td>$5,817</td>
<td>$6,217</td>
<td>$7,271</td>
<td>$8,235</td>
</tr>
<tr>
<td>8</td>
<td>$10,045</td>
<td>$20,089</td>
<td>$28,124</td>
<td>$28,384</td>
<td>$28,578</td>
<td>$5,812</td>
<td>$6,357</td>
<td>$6,846</td>
<td>$7,535</td>
<td>$8,235</td>
</tr>
</tbody>
</table>

**Please Note:**
- The federal poverty guidelines are typically updated at the end of January.
City & Borough of Juneau  
Tax Exemption Review Committee  
January 15, 2015  

Property Tax Hardship Exemption Sliding Scale  
(Based on 250% of the Federal Poverty Level for AK)

Senior Citizen and Disabled Veteran Hardship CBJ 69.10.021 - An individual who otherwise qualifies for a senior citizen or disabled veteran property tax exemption shall qualify for a hardship exemption if the applicant's gross household income, from all sources in the prior year, does not exceed 120% (*) of the Median Family Income for Juneau as set by the U.S. Department of Housing and Urban Development, or that are no documented extenuating or extraordinary circumstance that results in a one-time expense that, when subtracted from the applicant's household gross family income, results in the applicant's gross family income falling below 120 percent of the Median Family Income for Juneau. If allowed, a hardship exemption will be granted only for that portion of an eligible applicant's real property tax liability in excess of two percent of the applicant's gross household income as calculated after the senior citizen and disabled veteran property tax exemption required by state law is applied.

<table>
<thead>
<tr>
<th>2-Person Family Income</th>
<th>Tier I - 250%</th>
<th>Tier II - 300%</th>
<th>Tier III - 350%</th>
<th>Tier IV - 400%</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $49,150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$49,151 to $58,894</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$58,894 to $68,810</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$68,811 to $78,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>% of Hardship Exemption Granted</strong></td>
<td>100%</td>
<td>75%</td>
<td>50%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td><strong># of Property Owners</strong></td>
<td>30</td>
<td>18</td>
<td>24</td>
<td>32</td>
<td>104</td>
</tr>
<tr>
<td>2014 Taxes Exempted - SC/DV Hardship (Actual)</td>
<td>$41,631.62</td>
<td>$26,169.23</td>
<td>$50,763.18</td>
<td>$57,304.82</td>
<td>$175,868.85</td>
</tr>
<tr>
<td>TIERED Taxes Exempted - SC/DV Hardship (PROJECTED)</td>
<td>$41,631.62</td>
<td>$19,625.92</td>
<td>$24,997.72</td>
<td>$14,326.21</td>
<td>$100,582.47</td>
</tr>
<tr>
<td>Tiered Taxes Collected Variance</td>
<td>$0.00</td>
<td>$6,542.29</td>
<td>$25,765.41</td>
<td>$42,978.53</td>
<td>$75,286.23</td>
</tr>
</tbody>
</table>

Note: For FY14, 104 properties owned by seniors qualified for the Property Tax Hardship Exemption. This exemption is calculated after deducting the $150,000 State-directed Senior Exemption (maximum property taxes saved $1,614).

* The Median Family income for a 2-Person family is $76,100. 120% of median is $91,320.
Other Tax Exemption & Revenue Raising Ideas Reviewed by the TERC

The Assembly Tax Exemption Review Committee (TERC) has held 11 meetings to review information on the existing tax exemptions and other related issues. On January 8 there is TERC meeting to receive public testimony on the committee's final recommended changes. In addition to proposed changes through this process the following items were reviewed and discussed. Some items the TERC reviewed and decided to make no changes at this time. Other ideas were raised and there was not sufficient time to complete an analysis or they were not tax exemptions (thus within the scope of the TERC responsibilities). These ideas are being compiled for the Assembly Finance Committee consideration.

Exemptions Reviewed and Decision Made Not to Pursue any Change at this Time

1. Change or eliminate the tax exemption for lobbyists.
2. Change or eliminate the exemption for Out of Borough Sales.
3. Follow 2006 task force recommendation to raise the age limit from 65 to 70. This could be raised over a number of years.
4. If a senior exemption for 3 essential items is adopted initiate a set dollar year-end rebate/dividend program, versus one based on actual sales transactions. A budget would be established based on a per person amount for all qualified seniors.

Other Ideas for Consideration of the Finance Committee

1. Raise the sales tax from 5% to 6% for 5 months for summer season.
2. Review the property tax hardship exemption income threshold for consistency with what may be adopted for sales tax.
   a. Also consider a tiered income approach versus a single cut-off threshold.
3. Research for opportunities for other Payment in-lieu of Taxes (PILT) agreements.
4. Establish local business license program.
5. Vehicle leasing exemption from Business Personal Property.
6. Exempt food from sales tax, for everyone, and increase the rate from 5 to 6%.
7. Inventory Tax
8. Used vehicle sales/use tax.

Note: Various recommendations to improve compliance (e.g. vendor cashier training, issue new cards, enforce requirement card to be presented at every sale) were raised and are being evaluated by the Sales Tax Office.