

In considering these bills please remember that:

1. The Tax Commission claims that these bills will cost the general fund millions, the typical "the sky is falling" on you cry of panic of someone in trouble. However, the Tax Commission has not disclosed to **any** legislator or committee **any** figures concerning how much money is involved in these bills. In the Ways and Means subcommittee hearing on the House Bill, the subcommittee said that knowing how much is involved is very important, but the Tax Commission was not asked for the figures. The Tax Commission has refused to disclose this information to 20 cities. A simple written request by you to the Tax Commission asking for the breakdown of the cost of the bills for the last fiscal year by the amounts of the 3 issues will inform you of the cost of these bills to your cities. The issues are: penalty and interest collected on sales taxes, direct pay permits, and out-of-state vendors (083 accounts).

2. The Tax Commission claims that these bills will not cost cities a penny. This is not true. These bills cost the cities every penny of the sales taxes identified in the undisclosed Tax Commission information. The fact that the Tax Commission has not been following the law and giving the money to the cities does not mean that the bills do not cost the cities this money. Saying that the cities can not miss what they have not been getting is like a like one accused of being a thief saying, "I stole it before they got it home from the store, so it wasn't theirs anyway." These bills approve that "defense," and say: "Keep up the good work!"

3. The Tax Commission says that these bills will stop the cities from taking money due the general fund. The law has always said that this is not true. Section 27-65-75 says, when the sales taxes are collected, they go first to the cities, then to 2 education funds, and then the **remainder** go to the general fund. The sales taxes due the cities are never general fund money, because general fund sales taxes are the sales taxes left after cities and education receive their sales taxes.

Section 27-65-75:

(1) (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation.

(7) (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2) shall be deposited by the commission into the School Ad Valorem Tax Reduction Fund created pursuant to Section 37-61-35.

(8) (9.073%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2) shall be deposited into the Education Enhancement Fund created pursuant to Section 37-61-33.

(14) The remainder of the amounts collected under the provisions of this chapter shall be paid into the State Treasury to the credit of the General Fund.

Notice! It is not just the cities which have had their money taken away. Education money has been taken, too.

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