

Oct 30, 1986
Thursday

Facts about local option tax

To the Editor:

By now most of the voters are aware there is a proposal on the ballot next week concerning the local option tax.

Hopefully, they also know:

1. That the one-cent sales tax is essentially a community sales tax;
2. That the money raised by the tax will go 60 percent for property tax relief (over \$1.1 million each year in property tax relief) and 40 percent (or \$757,000) to replace \$600,000 of discontinued revenue sharing funds for human service agencies and the arts, with additional money going for community betterment.

3. It will not adversely affect the poor since most of the necessities are exempt from the tax, including food, rent, medicine, medical services, gasoline — some 20 exemptions all together.

4. It represents an historic opportunity for local government to have a source of revenue other than property taxes to support community services. (Right now in Ames the only way the City can raise its revenues is to raise property taxes.)

The committee supporting the local option is almost as diverse as the Ames community. It is composed of Democrats and Republicans, business people and human service directors, liberals and conservatives, university personnel and professionals, home owners and renters, as well as hundreds of people who have contributed their time, talent and money to the campaign.

The one thing we all share is the firm belief that the one cent local

option tax is the best proposal available to continue the quality of life in Ames that we have come to enjoy and even expect.

There are a number of good reasons to vote Yes on the local option tax. But stated very succinctly, if local option does not pass property taxes in Ames will be higher (and will continue to go higher) and human services and the arts in Ames will be substantially reduced or eliminated. It's that simple — without local option: higher property taxes, lower human services for the elderly, the poor and the handicapped.

I believe that the committee has done a good job of informing the public of the very real benefits for property owners, for human service agencies and the arts.

Unfortunately, I've seen recently some mistatements about the local option tax. Some have said that if it passes, it will just be a matter of time until it is increased. The fact is that by law the tax cannot be increased.

Secondly, I have heard others say that the money will not go for property tax relief, that the City will just increase spending. The fact is that if the City wanted to increase spending it could do it right now — Ames is below the cap on property taxes and the City has the ability to increase the levy today if it is so inclined. The budget for the City of Ames calls for it to raise \$7.3 million next year from property taxes. If the local option passes, that figure will be reduced by \$1.13 million.

Third, I've heard others say that the money will not go for the support of human services or the arts. The

fact is that the City Council has already voted to fund human services and the arts at their previous highest levels (during revenue sharing) if the local option passes.

The fact is that if local option passes the division of the revenues (60 percent property tax relief, 40 percent human services, the arts and community betterment) cannot be changed or altered in any way unless there is another vote of the people.

Ames is a unique community. We are a regional shopping area and the people who come here to shop or live outside the town and work here don't pay property taxes for the services the community provides. Some 10,000 residents of Ames live in university housing which is exempt from property taxes. The other residents of Ames, whether they are homeowners or students renting houses, pay more for property taxes or rent because of that fact. Local option spreads the cost of government out throughout the community.

Local option will provide significant property tax relief. It will provide a significant, permanent fund for the arts and human services agencies that are on the verge of collapse with the end of revenue sharing funds.

Ames will certainly survive if the local option proposal is voted down, but it will not be the same community that it has been in the past. I believe it is the best proposal available to insure that the quality of life in Ames is maintained.

Tim Finn
Ames

VanderMey: Discuss real issues

To the Editor:

Now that my

The question was asked

us
cl
ill
we
ca
sc
lat
th
be
l
wit
of
ma