

RESOLUTION NO. 375 (CCCLXXV)

A RESOLUTION OF THE CITY OF CANBY, OREGON, OPPOSING THE U.S. CONGRESSIONAL TAX REFORM PROPOSAL.

WHEREAS, the President has submitted to Congress a tax reform package to reduce tax rates, reduce complexity, and increase fairness in the federal tax code; and

WHEREAS, this tax reform package is currently being considered in Congressional hearings through the calendar year; and

WHEREAS, several recommendations in the tax reform package are of concern to the City of Canby, Oregon, including:

- elimination of the deductibility of state and local property, sales and income taxes; and
- proposed restrictions on tax exempt bonds, including the taxing of "private purposes municipal bonds;" the elimination of advance refunding bonding; the denial for deduction of interest with financial institutions which might carry municipal bonds; and severe restrictions on arbitrage; and

WHEREAS, Congress had adopted through budget deliberations dramatic reductions in federal assistance to cities in Fiscal Year 1986, including the phase-out of federal revenue sharing; and

WHEREAS, tax reform proposals would radically affect the tools available to our City for accomplishing local goals, would restrict local government's use of tax exempt bonds for municipal purposes, would increase the cost to our local government for municipal facilities, and would shrink the market for tax exempt municipal bonds;


NOW, THEREFORE, BE IT RESOLVED that the City of Canby, County of Clackamas, Oregon, opposes the tax reform provisions involving tax deductibility and tax exempt bonds which, combined with the federal budget cuts, our City will find devastating to our ability to address service demands and to raise capital for public purposes; and further, the proposals in the tax reform package would adversely affect our capability to interact with

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private enterprise in facing City needs at a time when cost efficient program financing is needed; and

BE IT FURTHER RESOLVED that the City staff shall forward a copy of this Resolution to members of the Oregon Congressional delegation and express its concern that the proposed tax reform measures in the Administration's proposal would have numerous negative impacts on our City, as well as all other cities in the State of Oregon.

APPROVED by the Canby City at a regular meeting thereof on August 21, 1985.



William F. Pulver, Mayor

ATTEST:



Marilyn K. Perkett, City Recorder