

CITY OF SHERWOOD

RESOLUTION NO. 335

A RESOLUTION OPPOSING PROPOSED CHANGES TO FEDERAL TAX LAW AS IT APPLIES TO STATE AND LOCAL TAX DEDUCTIBILITY AND TAX EXEMPT BONDS, AND ESTABLISHING AN EFFECTIVE DATE.

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 Sherwood, including;

- A. Elimination of the deductibility of state and local property, sales and income taxes; and
- B. Proposed restrictions on tax exempt bonds, including the taxing of "private purpose 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 has adopted through budget deliberations dramatic reductions in federal assistance to cities in FY 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;

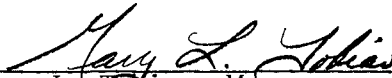
NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

SECTION 1. That the City 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 private enterprise in facing city needs at a time when cost-efficient program financing is needed; and

SECTION 2. That the City Recorder shall forward a copy of this resolution to members of the Oregon Congressional delegation and express the City's concern that certain proposed tax reform measures in the Administration's proposal would have numerous negative impacts on the community, as well as all other cities in the State of Oregon.

SECTION 3. Effective Date This resolution shall become effective upon adoption and approval by the Council.

This Resolution approved and adopted this 28 day of August, 1985



Mary L. Tobias, Mayor
City of Sherwood, Oregon

ATTEST



Polly Blankenbaker, Recorder