

## ATTACHMENT 4

April 8, 2002

**To: Cal Horton, Chapel Hill Town Manager**

*Hello Cal—This is the essence of my personal statement to the Town Council on its consideration of legislative requests. Since this is different from my original written petition in February, I would appreciate your distributing it to the Council members as background information on this issue. —Roland Giduz*

**To the Chapel Hill Town Council:**

**For many years I have proposed and you have endorsed local legislation that would permit the town to levy a tax on select "big ticket" entertainment events in Chapel Hill. I still believe strongly in this and urge your continued concern in favor of this proposal. However, I realize that the Legislature will not consider any controversial local bills at its "short" session this year, as I understand you learned from your recent meeting with the local delegation.**

**Instead, I urge you to request and vigorously seek statewide legislation for the same purpose, which will benefit Chapel Hill just as much, or more. It will also be as financially helpful to all other local governments in the state, proportionately. I have also proposed this to the Governor's newly-appointed statewide study commission on new revenue sources.**

**This would be to impose a surcharge on live "big ticket" entertainment event admissions and to share this revenue with the local governments where it was generated. This is the principle involved in the long-standing North Carolina retail sales tax, currently at 6 ½ %, and which greatly benefits ALL local government via the rebate feature.**

**Such a state-wide surcharge would effectively be added to the price of professional sports teams' game tickets and also to the major revenue-producing college sports – including UNC-Chapel Hill football and basketball games. Of course it would also cover other live entertainment events, such as major concerts. I would suggest a "floor" of \$25 or \$30 for the tax coverage, and perhaps some exemption for certain cultural programs.**

**Such a surcharge on the state's own long-standing entertainment tax could net millions in revenue for the state and local governments. As a levy on luxuries would relieve the pressure on heavily-taxed necessities. This is the fairest type of**

**tax possible – a voluntary one that nobody would have to pay unless they desired the benefit of that luxury.**

**A reasonable luxury tax will not reduce attendance at entertainment events and the potential revenue from this source. In the free market of sports competition only a losing record will do that. This is proven historically. I have factual data to show this.**

**This revenue source is well-established in countries, states, and local governments around the world as a significant source of needed funds. At this time when government is faced with reducing services and raising taxes on necessities, it should look to the significant potential of luxuries for revenue to finance its necessary operations.**