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Date: January 12, 2005

To: Mayor and Council, Town of Chapel Hill

From: Roland Giduz, citizen

In re: Municipal revenue proposal

Friends:

In light of the need for additional revenue for the Town this coming year and in the future, I respectfully urge that you renew your request for State enabling legislation as requested in House Bill 762, dated April 2, 1997.

Among several measures proposed in this bill was one to authorize the town to levy a tax of \$1.00 on each ticket to select entertainment events. I believe you may want to amend that request to exempt tickets below a certain price so as not to affect scholastic and cultural entertainments, and to designate a new purpose, the 1997 bill having been designated for support, of the town's public transit system.

The Town Manager estimated at that time, eight years ago, that this tax would yield over \$550,000 in revenue.

The rationale for this measure is fundamental: It is a luxury tax, purely on discretionary spending, and in that sense is the fairest possible tax of all. Nobody has to pay it – in contrast to almost all other taxes – unless they choose to buy that entertainment ticket. The tickets that would be affected are available on a pure seller's market at this time so that the sale of them would in no way be adversely affected. (On Ebay, presently, some of these tickets are being offered for resale at a price in excess of \$2,000 apiece.)

As you discuss budget plans and needs this week and in the near future I hope you will give serious re-consideration to this proposal which the Council has several times endorsed and sought in the past.

Respectfully yours,

Roland Giduz

(Copy to Town Manager Cal Horton)