Opposing any State action that would diminish the ability of local governments to tax or receive a share of State tax on local economic activity.

WHEREAS, actions by the State to eliminate or reduce the sharing of taxes on local economic activity threatens the sustainability of cities and boroughs in Alaska; and

WHEREAS, the Petroleum Property Tax recognizes the value of oil and gas property, the benefits to industry of offering this tax credit, and that the State already collects royalty and production taxes on oil and gas development; and

WHEREAS, local governments should benefit from that taxable property, avoid duplicate taxes on the oil and gas industry, and invest in public infrastructure that supports continued development; and

WHEREAS, the revenue from the Petroleum Property Tax is a fundamental component of the budgets of those who receive it, including more than 80% of some; and

WHEREAS, the Shared Fish Tax, similarly, works to avoid duplicate taxes on industry and provides revenue that local governments can use to improve local infrastructure; and

WHEREAS, moreover, the Statutes providing for the Shared Fish Tax actually allow for 100% to be shared, beyond the 50%, indicating full recognition of the value this revenue has for local governments; and

WHEREAS, there are many other arrangements whereby the State collects a tax on local economic activity and shares it with local governments; and

WHEREAS, sharing of that revenue reflects a partnership between the State and local government that predates Statehood; and

WHEREAS, local governments object to the scale and scope of any State actions to reduce sharing; and

WHEREAS, local governments understand the fiscal challenges facing the State, but that State sustainability cannot come at the expense of local governments.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League opposes any State action that would diminish the ability of local governments to tax or receive a share of State tax on local economic activity.