

**RESOLUTION OF THE WINSTON-SALEM CITY  
COUNCIL REQUESTING ADDITIONAL REVENUE OPTIONS**

**WHEREAS**, the local privilege license tax authority was repealed effective July 1, 2015;  
and

**WHEREAS**, the repeal resulted in a revenue gap of \$3 million dollars for the City of  
Winston-Salem; and

**WHEREAS**, this revenue loss was in addition to the revenue loss sustained by the City of  
Winston-Salem due to the elimination of the hold harmless payments (\$1.0 million) and the custom  
software tax (\$1.6 million); and

**WHEREAS**, the Council raised property taxes by one cent in FY 14-15 to offset the loss  
from the exclusion of custom software from the property tax base; and

**WHEREAS**, the City of Winston-Salem, over the course of a number of years, streamlined  
its operations and tightened budgets in an effort to address these revenue losses along with others;  
and

**WHEREAS**, many municipalities, like the City of Winston-Salem, have experienced  
significant decreases in sales tax revenues, utility franchise tax revenues and other revenues  
commencing at the end of FY 20 due to the COVID-19 pandemic which is likely to have a negative  
impact on city revenues for several years to come; and

**WHEREAS**, the only option available for generating additional revenues is to increase the  
ad valorem tax rate; however, said option is not a long-term sustainable solution for addressing the  
constant gap in revenues the City of Winston-Salem continues to experience; and

**NOW, THEREFORE BE IT RESOLVED** that the Mayor and the Winston-Salem City  
Council hereby encourage the North Carolina General Assembly to work with cities to identify

potential revenue options, including but not limited to a local option

sales and use tax and enact legislation that provides options for replacing the revenues losses sustained by municipalities.

This Resolution shall be effective upon adoption.