

Docket No. 18-0852
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Introduced 1/7/19 Adopted 1/7/19

**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WHEREAS, the local privilege license tax authority was repealed effective July 1, 2015;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
due to the elimination of the hold harmless payments (\$1.0 million) and the custom software tax
(\$1.6 million); and

WHEREAS, the City, 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, the Council also 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, for many municipalities like the City of Winston-Salem 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
continues to experience; and

WHEREAS, there have been commitments made by members of the North Carolina
General Assembly to work with cities in finding additional revenue options to replace the
aforementioned revenue losses; however, the replacement options have not fully addressed the
problem.

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 over the past five years.

This Resolution shall be effective upon adoption.