



THE PARTNERSHIP *for*
DOWNTOWN ST. LOUIS

Resolution

Whereas the effort to eliminate the City Earnings Tax – without a reliable replacement – is under way on two fronts: in the Missouri legislature, and through the initiative petition process; and,

Whereas Downtown is the employment center of the region and relies on City services as a means of supporting its 90,000 employees; and,

Whereas one-third of the City's General Revenue Fund is generated by the Earnings Tax; and,

Whereas, replacing this revenue may be impossible because of other existing statutory or constitutional limits on taxing authority; and,

Whereas the passage of a constitutional amendment requiring elections on the retention of the earnings tax every five years, in and of itself, could result in an immediate downgrade of the City's bond rating; and,

Whereas the current property tax would have to be increased by 47 percent to make up the lost revenue. The rate would be even higher for commercial property; and,

Whereas the City of St. Louis would have to increase its total sales tax to approximately 12.362% in the City to offset the loss of the Earnings Tax; and,

Whereas the Partnership would encourage state leaders to allow local jurisdictions to determine and pursue alternative methods of revenue generation with the help of residents and elected officials; and,

Whereas, unless and until replacement revenues are in place, it would be reckless public policy to set in motion a potential repeal of the City's single most important source of revenue.

Now, therefore, be it resolved that the Board of Directors of the Partnership *for* Downtown does hereby recommend opposition to efforts to eliminate the City Earnings Tax until there is a viable alternative to replacing this important revenue source for the City. It furthermore discourages its members from signing any petitions that would put this issue on a state ballot.¹

As passed by the Board of Directors of the Partnership for Downtown St. Louis on April 8, 2010.