

MILLARD COUNTY COMMISSION PUBLIC HEARING
SEPTEMBER 27, 2007 11:00 A.M.
Millard County Offices, 71 South 200 West, Delta, Utah 84624

11:00 A.M. Public Hearing to Discuss the State Imposed 1/4% Sales Tax.

Present: Daron SmithMillard County Commission Chairman
Kathy Walker Millard County Commissioner
Dean Draper..... Citizen
Gayle BunkerDelta City Mayor
Richard Waddingham.....Millard County Attorney
Sheryl Dekker..... Commission Assistant

PURSUANT TO AN AGENDA WHICH HERETOFORE HAD BEEN PROVIDED TO each member o the governing body, the local news media and located on the front and back doors of the County Courthouse as required by law the following proceedings were had.

Commissioner Chairman Daron Smith opened the public hearing to discuss the proposal to increase the county sales tax rate by 1/4%.

Commissioner Smith stated that the sales tax to be imposed will be offset by the certified tax rate that has to reduce by an amount equal to the sales tax collected. Dean Draper asked why the increase in sales tax has to be offset by the decrease in the certified tax rate.

Chairman Daron Smith explained that when the law was enacted that stipulation was imposed. Dean Draper asked if the offset amount would benefit IPP along with the other tax payers of the county and if the difference would be picked up by all other tax payers. It was stated that it certainly may benefit IPP.

It was noted that even if the state imposed this tax instead of the county, the state would keep the sales tax increase and the county certified tax rate would stay the same.

Mayor Gayle Bunker gave a scenario that if you bring in \$50,000 in the increased sales tax rate, then the real property taxes collected would be reduced by \$50,000 , and asked if that was correct. The answer was yes.

Dean Draper asked what discussion was held at the public hearing in Fillmore. Commissioner Smith stated that the same discussion was held explaining the same process. Fifteen to twenty people attended the Fillmore meeting. However, some of those in attendance were cub scouts working on merit badges and some were there to discuss long term care.

Mayor Bunker asked which purchases would be affected by the tax. Attorney Richard Waddingham explained the code which taxes everything that is sold with few exceptions, such as aviation fuel and some types of medical supplies. Generally all tangible personal property is taxed.

Richard Waddingham explained that the tax increase will become effective January 1, 2008. The Tax Commission has 90 days to consider the proposal after the County makes a decision to impose the tax.

It has made sense in the past for Millard County to not opt for the sales tax. Mayor Bunker noted that outside sales for car dealerships might decrease because of this increase as that has been an incentive for people to come to Millard County to purchase vehicles.

Commissioner Smith reported that Representative Harper has a proposal that would make the whole state go to a 6.8% sales tax because of internet sales that would tax at the point of delivery. He wants to take a proactive stand now in the event that sales tax is imposed on the internet sales.

Richard Waddingham stated that if the state adopted the 1/4% sales tax, the state would keep all of the tax, and it would not affect the County's certified tax rate. It would be advantageous for the county to impose the tax for the residents so that the county receives the revenue.

Chairman Smith asked if there were any other comments. There were none.

The meeting adjourned at 11:28 a.m.

Attest: _____ Approved: _____