

## **New tax comes amid rising revenue**

### **Town officials say economic recovery hasn't kept pace with expenses**

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The town council is expected to vote on whether to approve a tax increase at its June 28 meeting.

Town officials are estimating that a 1/8 percent gross receipts tax (GRT) increase will generate about \$475,000 in additional revenue every year.

For consumers, the tax would add an additional 13 cents per \$100 in taxable purchases.

The GRT rate in the town limits is currently 8.1875 percent. At the moment, 2.7875 percent of that tax goes to the town.

The proposed tax increase comes as overall gross receipts have been on an upward trend. But town officials say the slow recovery of the local economy hasn't kept pace with town government's needs and that new revenue is badly needed.

Data show post-recession GRT revenue bottomed out in the fiscal year ending June 2013, when the town brought in just more than \$10 million for the year.

But since then, gross receipts have been on a slow – but steady – rise.

GRT revenue for the fiscal year ending June 2015 was \$10.7 million, up nearly 7 percent compared to the low point two years earlier.

Final numbers for this most recent fiscal year should be available soon, and the town is expected to have its best year ever.

Through 11 months, GRTs were 5.5 percent higher than last year. And depending on figures for June, the town could bring in more than \$11 million in GRT revenue for the first time ever.

If the additional tax is approved, revenues would be even higher.

Among its top priorities, the town is expected to approve a \$2-an-hour raise for police officers in order to reduce turnover and attract qualified candidates. The department has struggled to hang on to officers, and officials say low pay is a big part of the problem.

Administrators also say years of deferred maintenance have caught up with the town, and the additional GRT revenue is critical to catching up.

If the tax is not passed, officials say the raise for police officers is impossible, and the town may have to consider reducing services at the library and Taos Youth and Family Center.

**Taos GRT Revenue** 2014 \$10,714,913 2013 \$10,447,547 2012 \$10,023,951 2011 \$10,065,860 2010 \$10,943,742 2009 \$10,134,132

Source: town of Taos



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