

BUSINESS
PROPERTY
TAX

V.I.C.
2 F: BUSINESS
PROPERTY TAX

FURTHER COMMENTS BY ORRIN POMEROY (STATE ASSESSOR'S OFFICE)
RE YOUR BILL ON BUSINESS PROPERTY TAX IN UNORGANIZED BOROUGH

Pomeroy had the following concerns regarding the draft bill:

- 1) By restricting the tax to business property, would in fact the measure cost more to administer than it would raise in revenue?
- 2) Why should property tax exemptions be granted for communities with existing sales taxes? He believed that the two were different in nature and affected different segments of the local population. For the sake of equity, he agreed that exemptions should be stipulated for communities already having some form of property tax.

He noted that from his preceding remarks it was clear that he still favored the approach of SB 35 which taxed all real property in the unorganized borough. He remains concerned that absentee, "foreign" i.e. non-local, land owners possess considerable unimproved property in the unorganized borough which they are allowing to appreciate free from taxation.

He also remains concerned about what defines the concept of business property. He suggested that you might want to include language in your bill stipulating that records such as business licences should be made available to the Assessor's Office, but acknowledged that the legality of this would have to be determined first.

Pomeroy has not yet drawn up a fiscal note although he says his original rough estimate (\$200-300,000 and 3/4 additional positions) is still a good ball park figure. If you would like him to start on the fiscal note, he said he would be ready to begin.

Ben Harding
1-24-78