



Tax idea should rest with local voters

OUR OPINION Chip Hutcheson | Posted: Wednesday, December 18, 2013 12:00 am

Clarksville and Nashville are two Tennessee cities that Caldwell countians have been known to frequent for shopping, especially during the Christmas season. But one thing that always gnaws at Kentuckians spending money in the Volunteer state is the amount of tax being paid.

Tennessee has no state income tax. It relies on a state sales tax, and municipalities have the right to add to the state's 7 percent rate. The total sales tax rate can be as high as 9.75 percent, depending on choices by individual cities. Quite a difference over Kentucky's 6 percent sales tax.

Now, there's a local-option sales tax movement afoot in Kentucky. Under a proposed constitutional amendment, local residents would have the authority to levy an additional 1 percent sales tax. We're not saying we're in favor of raising the sales tax, but we are saying we like the idea that local communities get to decide for themselves, rather than that decision being made in Frankfort.

What this means is that if a community senses a strong need, then proponents can offer it as a sales tax option on the ballot. Local folks would vote on local projects. It's that simple. And it means that if the tax is approved, the voters know where the money is going.

The proposed amendment is the first step in the process. If it proceeds and is approved by this state's voters, then cities or counties can proceed with a local-option sales tax. It could be restricted for use as a way to raise money for designated local projects, such as improving streets and roadways, constructing or improving a park or public facilities, or any number of economic and civic betterment projects.

The beauty of it is that local voters have the say-so as to its enactment, and they have a sense that they are getting what they pay for. Also, people who visit your community to spend dollars at retail establishments would be helping foot the bill for projects. Food, medicine, utilities and automobiles would be exempt from the local-option tax.

We like the idea that any proposed sales tax would have restrictions, such as no additional tax could be added until the project for which the tax was intended was completed and paid for.