

4-4-05

JOHN J. RENNER, II, CPA
Comments on City Budget
Regarding Admissions Tax

**I'm John Renner,
Managing Shareholder of Renner and Company CPAs,
located here in Alexandria,**

I'm a resident of Alexandria,

**and I'm here tonight as the President Elect
of First Night Alexandria.**

**On New Year's Eve
First Night Alexandria
puts on the biggest party in the City--**

**Providing family oriented entertainment,
positive teen involvement,
and bringing in a significant amount of tax revenue for the City
In the form of**

- **sales tax,**
- **Restaurant tax**
- **Business license tax**
- **And hotel tax.**

**I am here tonight to urge you
not to add an admissions tax.**

We support the proposal in this year's budget to seek alternative sources of revenue to relieve the burden on real estate tax.

We encourage you to seek this alternative revenue from some of the broad-based sources that have been proposed to you like

- **the cigarette tax,**
- **Cell phone tax,**
- **or from accelerating the scheduled increase in the sewer tax.**

Accelerating the scheduled increase in the sewer tax alone would provide \$1.2 million in revenue and would improve our debt ratios.

We urge you to consider these reasonable alternative revenue sources instead of an Admissions tax.

These reasonable sources do not require a new system for administration or compliance.

--They don't hamper our economic development

And they don't unintentionally burden our nonprofits.

An admissions tax, on the other hand,

- **singles out one segment of Alexandria business,**
- **it would be a burden on our City to administer, and a burden on Alexandria businesses and nonprofits to comply with.**

**Like many volunteer organizations
First Night Alexandria
doesn't have the administrative capacity
To collect,
account for,
report on
and remit
an admissions tax.**

**Offering grants back to nonprofits
doesn't make it any easier.**

**If an admissions tax is passed
We'll have to write an additional grant proposal
to get some of our money back,
taking valuable volunteer time away from our program.**

**It has been pointed out that
An organization that is exempt from *sales tax*
will also be exempt from the admissions tax.**

**While this is true,
it is not common, and not easy
to obtain a sales tax exemption in Virginia.
Only a few qualify and
each organization must be individually approved
by the general Assembly.**

*go on to
now
spend
now*

**While the admissions tax may seem attractive at first glance,
It has too many unintended consequences
To be good tax policy for our City.**

**We urge you choose from the broad-based revenue sources
That have been proposed,
Not the admissions tax.**