

Sales Tax Issues

Goal – A modern state and local revenue system that (a) is fair to taxpayers, (b) is sustainable long-term, and (c) minimizes the negative impacts of taxes on the economy

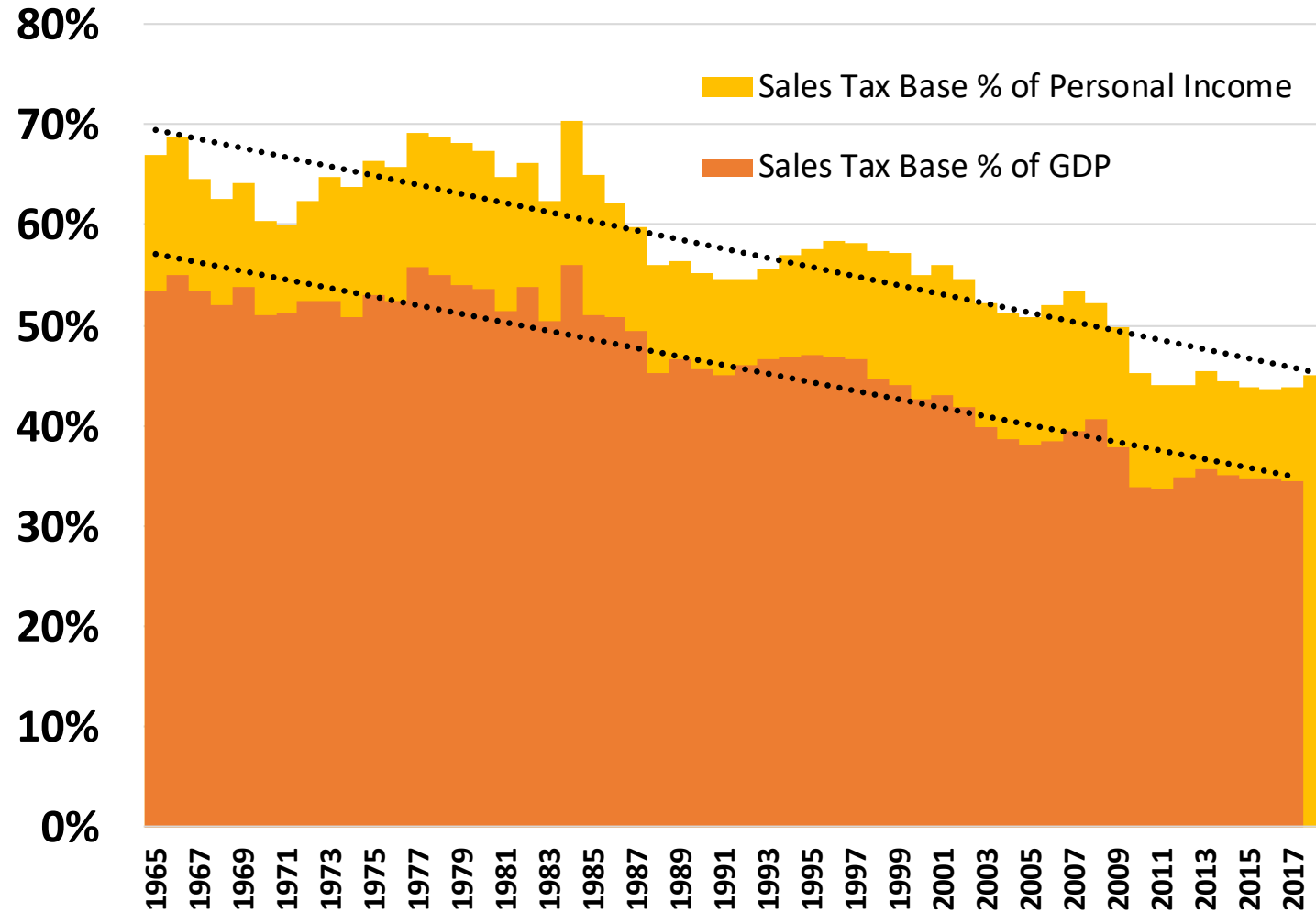
Current Challenges

- Fairness – Regressivity and uneven economic playing field
- Sustainability – Narrowing tax base
- Economic impacts – Increasing tax rates can harm the economy

Good tax policy is not only about the amount of revenue (one key consideration), but also how it's generated

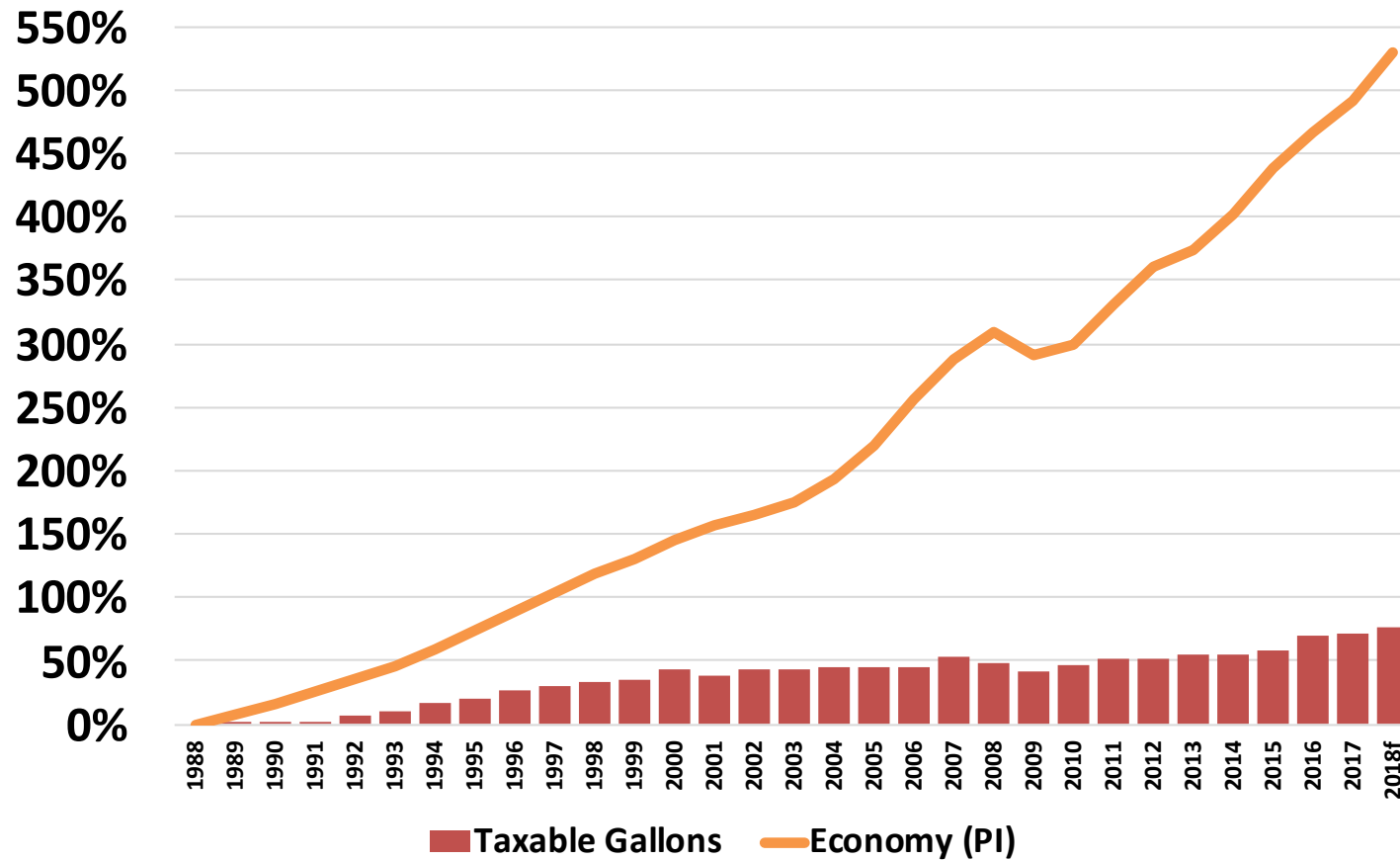
- Theoretically, the sales tax is a tax on consumption
- Lower the rate and broaden the base to include a broader share of consumption
- Increasingly emphasize user fees for infrastructure

Sales Tax Base - Poorly Aligned with Economy

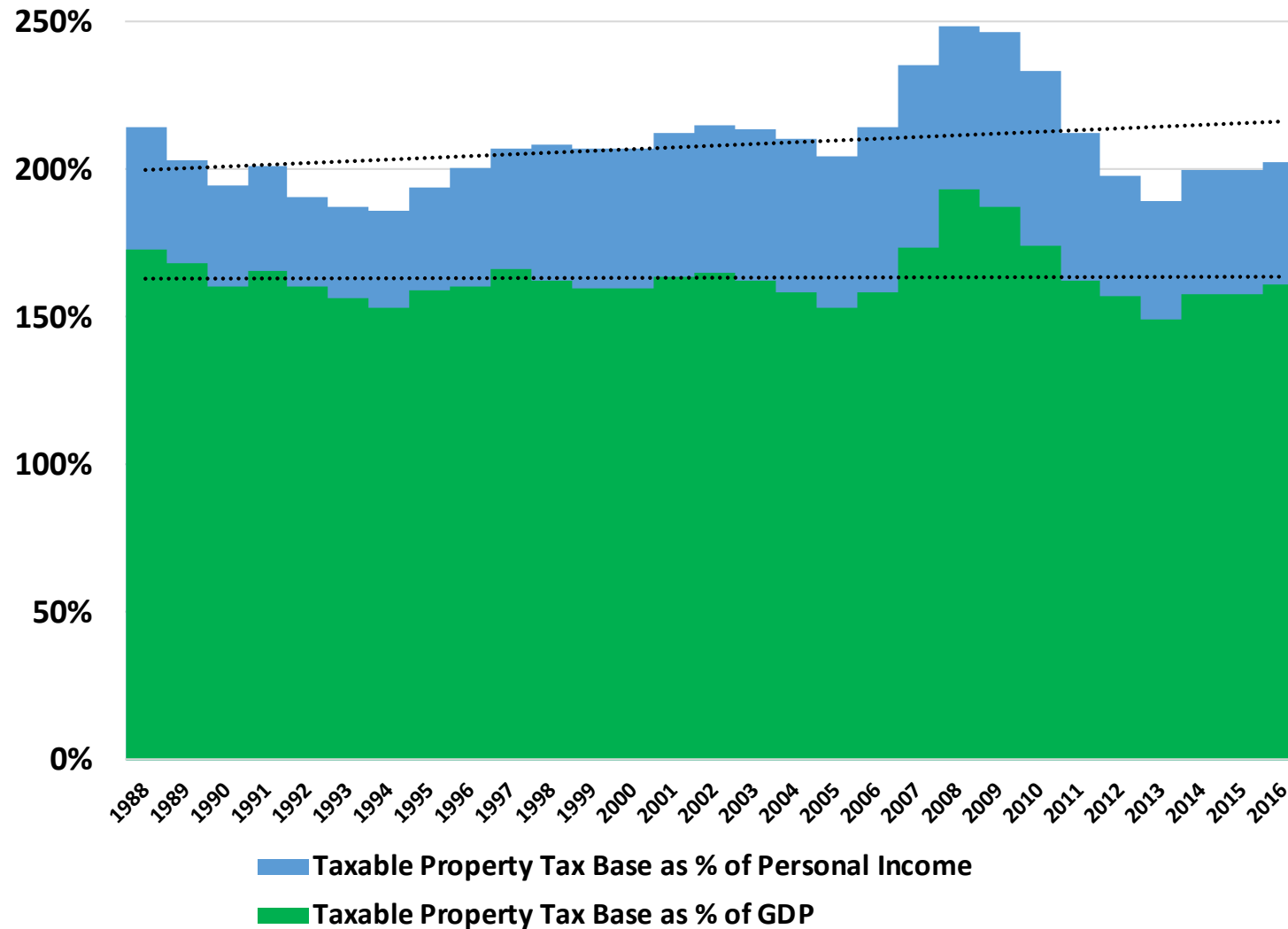


Gas Tax Base - Poorly Aligned with Economy

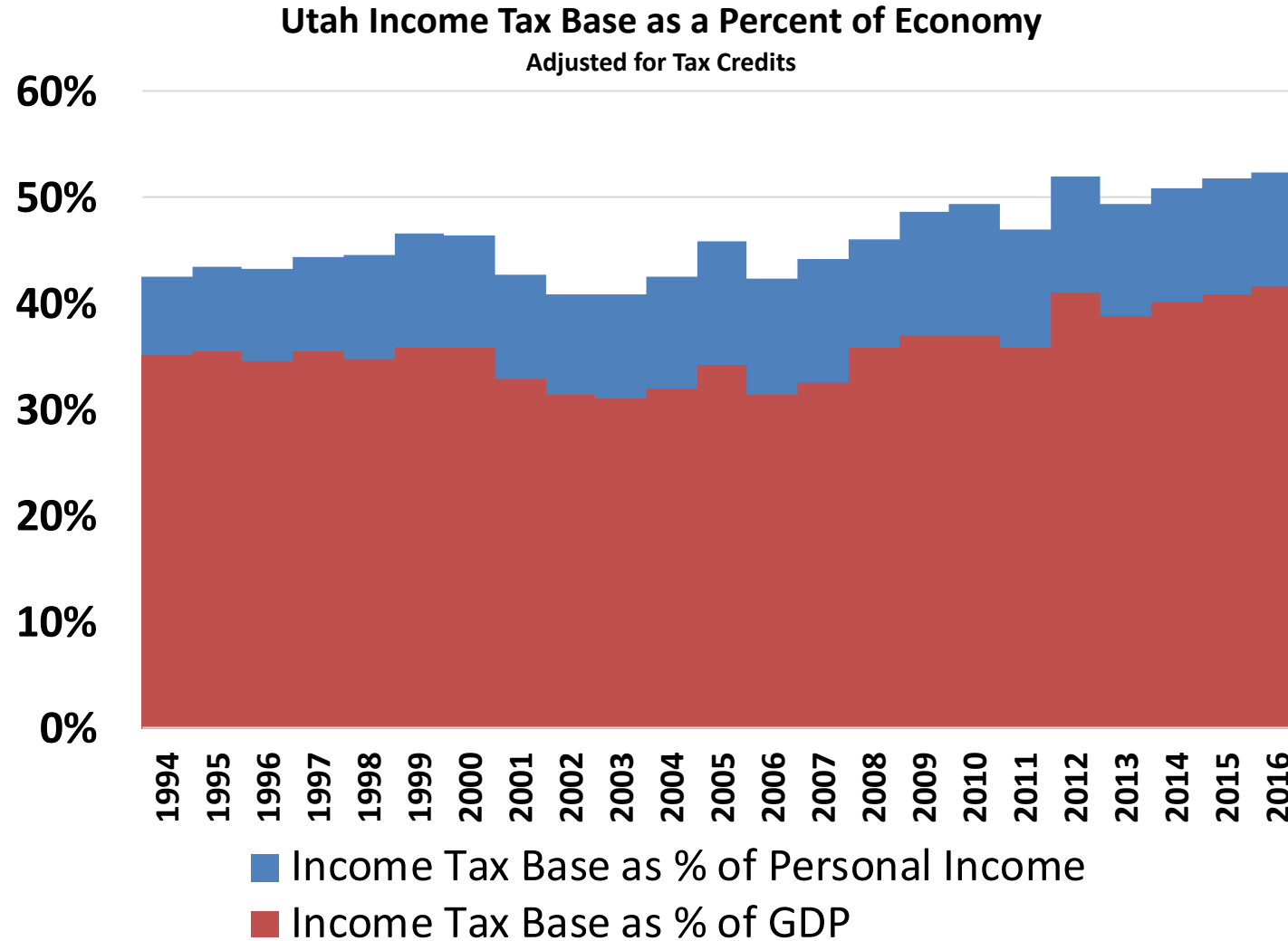
Growth Rate Since 1988
Economy and Taxable Gallons (Fuel Tax)



Property Tax Base - Well Aligned with Economy



Individual Income Tax Base - Well Aligned with Economy



Sales Tax Base Will Continue to Change

Technology

Waymo One, the first commercial robotaxi service, is now picking up passengers in Arizona

Ford to Sell Driverless Cars to Public by 2025, CEO Says

G.M. Says Its Driverless Car Could Be in Fleets by Next Year



General Motors says its Cruise AV, with no steering wheel or pedals, could be ready for commercial ride services next year if it gets the necessary federal and state approvals. G.M.

NHTSA shuts down 'unlawful' autonomous school bus transporting kids in Florida

The shuttle has been running since the beginning of the school year



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Mark Matousek Jan. 23, 2018, 2:21 AM



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