



## 2013 CONCORD ANNUAL TOWN REPORT

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### Local Option Local Income Tax Committee

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Pat Sinnott, Jonathan Keyes, Chair; John Mannheim, Nancy Cronin, Walter Birge. Not pictured: Reinier Beeuwkes

### James Phelps

Our basic thrust consistently has been to reduce the residential real estate tax by roughly half and to replace that half with a local income tax. This would be collected by the State as a surcharge on the State income tax and remitted to the Town. The general idea is that higher income home owners would on balance pay more and those with lower incomes would pay less.

In early April we had another hearing before the Joint Revenue Committee of the State legislature. We were seeking favorable action on two bills, each

having the underlying local income tax. One was the local option, like CPA; the other a “Home Rule” petition. We were lead to believe that the Local Option bill (H 3375) stood a much better chance of being judged as constitutional. The reasoning was that the citizens of towns opting in would all represent a class of taxpayers all paying at the same 2% surcharge rate. At this hearing we promised to provide the Joint Revenue Committee members with a legal opinion that H 3375, the local option plan, was constitutional.

Town Counsel accepted this engagement, but as they delved deeper into case law they determined that they could not opine that H 3375 was constitutional. Only with an amendment to the State constitution could our proposed legislation be deemed constitutional. Obtaining the latter was felt to be beyond the capacity of the Committee.

At this time, late in this year, the Selectmen are considering modifying the Committee’s charge and renaming it - the Tax Fairness Committee. The Committee plans to explore other ways to keep the property tax burden on Concord residents within their ability to pay.