

Why I won't support Santa Clara's Sales Tax vote for transportation projects

As a retailer, I've always had a sensitivity to pricing issues for the products we sell. We have to provide a "compelling selling proposition" to our customers. An exchange of goods and services for payment that makes sense to retailer (that's us) and customer (that's you). We try very hard to be as competitive as possible, and thankfully there are some suppliers who give us the same deals they offer the on-line world. Level playing field, as they say.

But then there's sales tax. We don't yet live in a world where on-line sales tax is universally charged. It's happening, but very, very slowly. Amazon, for example, is charging local sales taxes on goods shipped from its own warehouses, but not for goods shipped from 3rd-parties. Some companies openly flaunt the fact that you aren't paying sales tax when buying from them, and of course forget to mention that you're legally required to pay them (yes, there's a section for out-of-state purchases on your California Income Tax Return). Until recently, enforcement was non-existent, but the state is selectively going after some people. Still, the perception is, buy from out of state and save \$\$\$.

Who doesn't want to save money? But the point of a sales tax is that the people who benefit from the local services provided by that sales tax (schools, roads, police & fire departments, libraries, the list goes on and on...) are the people paying for it. That was then, this is now.

So we have a vote coming up for a sales tax that would pay for all sorts of transportation projects I'm in favor of. The Silicon Valley Bicycle Coalition is in favor of it, for good reasons. Yet here I am, a member of Redwood City's Complete Streets committee, recommending a vote against it. Keep in mind I'm in that category of people who vote for most ballot initiatives that are going to cost me \$\$\$.

Yet we NEED the projects. They just shouldn't be funded by a sales tax, in my opinion. Their time is past. My alternative? A parcel tax. Something that would be pretty much impossible to escape paying for, if you live or work here. If you own a property, you pay directly. If you rent, it's going to be factored into what you pay. If you work, your business is paying for the property it owns.

It's time we stop chasing retail businesses out of town. It's bad enough that rents are increasingly so rapidly that nearly any small business is one rent increase away from extinction. High sales taxes are an unfair burden to add to the mix. The concept of a livable community goes beyond wide sidewalks and open space... it includes the "neighborhood" aspect of smaller shops that are tuned in to the local needs and opportunities of the area. Let's look at ways we can support tax-paying small businesses before they're gone (and in some cases, important services they used to provide end up as publicly-subsidized co-ops or a further expansion of local government).