

Tax Increase on Tonight's Work Session Agenda

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Jennifer Canfield/KMXT

The Kodiak City Council will continue its discussion about increasing the sales tax from six percent to seven percent at its work session tonight. The increase was proposed at a meeting two weeks ago during which over 30 people spoke against the increase. One of those people was Danielle Ringer who says an increased sales tax will drive young talent away from Kodiak.

"As a 25-year-old with a full-time job, I find it already difficult to pay the average rent prices on this island and I know that nearly all of the young folks that I do know feel the same and many live with their parents in Kodiak if they have that option. I'm curious to see how the community expects to keep young professional on the island if they simply can't afford to live and I hope that this council will not contribute to a brain drain."

The city continues to draw on its general fund to cover increasing costs of operation and new infrastructure. The city estimates that the increase would generate an additional \$3.1 million to cover the budget shortfall. Council member Terry Haines says that Kodiak's main economy is fishing and that requires improved infrastructure to stay competitive in the industry. He says he understands the opposition to a higher tax but he doesn't see another way to meet the community's need for basic services

"We just have problems that we can't address at a local level by raising or lowering taxes. We can't compete with Anchorage because they have no sales tax. They don't need a sales tax, they have the State Legislature. That problem is always going to be there. We have a

fantastically tight housing market. That's not a problem we can address by raising or lowering taxes."

Tonight's meeting starts at 7:30 and will be held in the Kodiak Island Borough conference room.