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Local Government Funding System

When designing a local government funding system from scratch, I believe it is essential to carefully consider various factors to ensure equity and efficiency. In my opinion, the best and most equitable approach would involve considering several key principles and options when funding town government services in Wisconsin.

One of the primary revenue sources for local governments is property tax. We can structure it to provide a stable and predictable funding stream. To ensure equity, property taxes should be based on fair and accurate property assessments that reflect the property's market value. We should implement measures such as homestead exemptions or circuit breakers to provide relief to lower-income property owners who may face a greater burden. By carefully calibrating property tax rates and exemptions, we can distribute the tax burden more equitably among residents.

Another option to diversify revenue sources is the implementation of a local sales tax. This tax spreads the tax burden across residents and non-residents who make purchases in the town. However, we must be mindful of the potential regressive nature of sales tax. To address this concern, exemptions can be applied to essential items like groceries and medicine, ensuring that the tax does not disproportionately affect lower-income households.

In addition to property and sales taxes, I believe that a local income tax can be considered as a means of funding town government services. This approach allows revenue to be collected based on residents' income levels, making it a more progressive system. However, implementing

a local income tax may require coordination with state tax regulations and careful consideration of its impact on residents. We should strike a balance between generating sufficient revenue and avoiding placing an excessive burden on taxpayers.

User fees and charges can also play a role in funding town government services. By levying fees for specific services or facilities that directly benefit individuals or groups, the town can generate revenue to cover the associated costs. For example, we could consider charging fees for recreational programs, permits, or licensing. However, we must ensure that fees are reasonable, transparent, and do not disproportionately burden vulnerable populations.

While relying on local revenue sources is crucial, seeking external funding through grants and intergovernmental aid can also alleviate the burden on local taxpayers. There are often opportunities at the state and federal levels for towns to apply for grants that can provide additional funding for specific projects or services. Being proactive in identifying and applying for these grants can significantly contribute to our town's funding efforts.

Community engagement is a critical aspect of designing a funding system. Involving the community in the budgeting process ensures transparency and accountability. Town hall meetings, surveys, or citizen advisory committees can be utilized to seek public input on funding priorities. By incorporating residents' perspectives and priorities into the decision-making process, the funding system becomes more reflective of our community's needs and desires.

In conclusion, I firmly believe that designing a local government funding system from scratch requires careful consideration of various factors to ensure equity and efficiency. Property tax, local sales tax, income tax, user fees and charges, grants, and community engagement are key elements we should consider. By taking a comprehensive approach and incorporating these principles, we can establish a funding system that best serves our community's needs.

References

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