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## **FIRST TIME IN NEARLY 20 YEARS GLENDALE TEMPORARILY ADJUSTS GENERAL SALES TAX RATE**

**Glendale, Ariz.** — Beginning August 1, the city of Glendale will temporarily adjust its general sales tax rate for the first time since 1993. Glendale's general sales tax rate will increase from 2.2% to 2.9%, a 0.7% adjustment. This past June, the Glendale City Council approved the new rate and its automatic expiration on August 1, 2017.

Glendale is not the only Valley city to increase its sales tax rate to weather the effects of the ongoing economic downturn. Since 2006, almost 30 Arizona cities and towns have increased their sales tax rates, according to the Model City Tax Code, a uniform tax system managed by the Arizona Department of Revenue. Some of the Valley communities include: Phoenix, Mesa, Tempe, Peoria, Paradise Valley, Buckeye, Cave Creek, Goodyear, Litchfield Park, Queen Creek, Tolleson, Wickenburg and Youngtown. The state of Arizona also raised its sales tax rate during this time to address its budget shortfall. Outside Maricopa County, 15 other Arizona cities – from Flagstaff to Sierra Vista – have increased their sales tax rates.

When spending \$50 in Glendale, the new temporary rate will cost an extra 35 cents. A similar scenario on a \$100 purchase will see an additional 70 cents per purchase. Glendale's temporary sales tax rate is expected to generate up to \$22 million a year.

City leaders have implemented numerous measures over the past four years to reduce expenses including, cutting departmental budgets an average of 27%, decreasing the city workforce 25% and implementing mandatory pay cuts for employees, an action that saved \$5.9 million alone.

*Glendale's Temporary Sales Tax Increase Effective August 1, 2012*

“The ripple effect of the long-term economic downturn is still lingering and the city’s strategy is to continue to reduce expenses, generate revenue and not harm critical services such as police and fire, but also make sure amenities that are important to residents, like the libraries and parks, remain open,” said Diane Goke, Glendale Chief Financial Officer.

The new rate includes approval from the Glendale City Council for a tiered system for higher-end purchases. That means those who purchase retail items that cost \$5,000 and above are exempt from the increase and will continue to pay the rate of 2.2 percent.

For the next five years, the additional revenue generated from the temporary sales tax rate will support the city’s operating budget, the General Fund. The majority of Glendale’s departments are funded by the General Fund, with police, fire and the courts making up 63 percent of that budget. The General Fund also supports the majority of city services and programs, such as the operation and maintenance of the city’s three libraries and 70 parks.

Although this is the first time the Glendale City Council has increased the general sales tax rate in nearly 20 years, voters approved sales tax increases in 1994, 2001 and 2007 that were dedicated only for police, fire and transportation services.

To see a full reporting of all financial transactions in Glendale and a searchable database for all expenditures, visit [www.glendaleaz.com/FollowYourMoney](http://www.glendaleaz.com/FollowYourMoney). For more information on the city’s budget and finances, visit [www.glendaleaz.com](http://www.glendaleaz.com).

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