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RESOLUTION NO. 26-78

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, OPPOSING THE REMOVAL OF THE TAX-EXEMPT STATUS FROM MUNICIPAL BONDS; AND DECLARING THE EFFECTIVE DATE THEREOF.

WHEREAS, the primary argument against the present tax exemption on Municipal bonds is that it creates tax inequity for the wealthy investors who avoid paying their fair share of taxes; and

WHEREAS, Municipal exempt bonds do carry an "implicit tax" in the form of lower rates at return than paid by taxable bonds; and

WHEREAS, the implicit tax has generally been approximately 30% on long-term municipal bonds; and

WHEREAS, the implicit tax has generally been approximately 50% on short-term municipal bonds; and

WHEREAS, all citizens are the real recipients of the benefits of tax exempt bonds in the form of lower interest rates; and


WHEREAS, complete or partial removal of the tax exempt status on municipal bonds would require additional taxes paid by citizens whether in the form of local ad valorem or federal taxes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

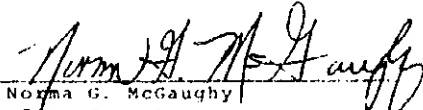
SECTION 1. That the City Council of the City of Mesquite, Texas, is unalterably opposed to either partial or complete removal of the tax exempt status on municipal bonds.

SECTION 2. A copy of this resolution be submitted to the Texas Municipal League at the Annual Meeting for consideration of other cities within the League.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 16th day of October, A.D., 1978.

  
JOE GOGANS  
MAYOR PRO TEM

ATTEST:

  
Norma G. McGaughy  
City Secretary