

SC3 Resolutions

LEASE / LEASEBACK

WHEREAS, the Federal government has been accruing record deficits, contrary to it's assurances that it could be trusted to act as a prudent and responsible manager of our fiscal responsibilities; and

WHEREAS, one way that these record deficits have shifted the tax share from corporations to individuals and from the wealthy to the middle class is through abusive/unearned tax shelters; and

WHEREAS, abusive tax shelters are promoted with the participation of tax-indifferent parties, such as tax-exempt entities, according to tax code and regulation 162 and 163; and

WHEREAS, these abusive tax shelters lack economic substance or business purpose other than generating tax benefits; and

WHEREAS, state government in North Dakota passed a law {century code #) allowing lease/leaseback; and

WHEREAS, the IRS has deemed lease/leaseback an abusive tax shelter.

THEREFORE, BE IT RESOLVED, that the South Central Citizens Coalition urge the City of Jamestown to act in a prudent manner regarding our public utilities and not enter into any transaction that includes the lease/leaseback arrangement; and

BE IT FURTHER RESOLVED, that we urge the North Dakota State Legislation rescind the lease/leaseback law # ).