

# LETTER: Surcharge will hurt community

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Recently, when talking with the Prince William Regional Chamber of Commerce, the Chairman of the Board of County Supervisors discussed the topic of a 12.5 cent surcharge on commercial real estate property taxes. Though the chairman said he wasn't going to push the issue, he wanted the business community's thoughts, and he mentioned that the revenue could be used to fund the county's Capital Improvements Plan. As a member of the Board of Supervisors and a small business owner myself, I believe that a surcharge on business is the wrong policy at the wrong time.

In difficult economic times, we must strengthen our existing pro-business climate, not penalize local businesses that will be required to pay the additional tax. A commercial surcharge will force new businesses to reconsider moving here, stymie existing business expansion and severely hamper start-ups—a formula for job losses not job growth. If we want businesses like Northrop Grumman to consider relocating here, we should not be considering a surcharge.

The county is projecting that only 13 percent of our tax base in fiscal year 2011 will originate from commercial sources (with 80 percent from residential property taxes and 7 percent from public services, agricultural land, etc.). The fiscal year 2011 commercial projection is down significantly from the 17 percent commercial base in fiscal year 2010—clearly the wrong direction. A commercial surcharge will only compound our problems and result in the tax burden falling on Prince William's individual taxpayers. This recession has taught us that we need to advocate lasting solutions that will reduce our reliance on residential property taxes and fundamentally change the projected commercial/residential property mix.

When a local business closes or relocates to another area, the entire community suffers. We not only lose the tax revenue previously generated by the business, we lose local jobs and the services the business provided us. While we are facing even deeper cuts in next year's budget, we must address the more fundamental, long-term challenges and avoid a quick fix laden with unintended consequences.

One way to address this challenge is to empower the recently-created Economic Development Task Force to provide us with the policy guidance needed to correct the commercial/residential imbalance. As the current charter is written, the Task Force will spend more time studying the mechanics of some future Economic Development Committee rather than addressing the policy issues facing us today. The Board of County Supervisors would be better off voting on the Task Force's recommendations rather than being members of it. The future of our community hinges on making smart policy choices today.

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