



Tax Incentives and Local Government Autonomy

Counties want to be partners in promoting economic growth and creating opportunity – we prefer local autonomy in determining the best way locally. MACo opposes State-mandated reductions in local revenue sources, but welcomes tools to grant county options and flexibility to pursue their own parallel tax incentives, or to develop others to suit their local needs.

The General Assembly routinely considers proposals to change tax structures, often seeking to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals often are focused exclusively on the state's tax structure, but sometimes extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities. MACo steadfastly guards this local autonomy, and frequently argues against statewide solutions that mandate county compliance, or otherwise override local decision-making.

The State has many avenues to provide either broad or targeted tax relief. Credits against the state income or corporate taxes can direct tax reductions based on individual demographics or specific business activities. The State may use “sunny day funds” or comparable economic development instruments to help solidify negotiated assistance for targeted projects. These mechanisms can effect policy goals without an unwelcome mandate on local revenue systems, threatening county funding for essential public services.

State proposals that involve local revenue sources can be enacted as “local option” offerings, to allow counties maximum flexibility to achieve local goals. MACo urges State policymakers to primarily consider these tools as the best means to incorporate local tax relief as part of a broader policy.

MACo and county governments stand ready to work with state policymakers, to jointly develop flexible local opportunities to pursue beneficial incentives.