



June 17, 2015

To the City Manager and members of the Corbin City Commission:

At its regular monthly board meeting June 16, the Board of Directors of the Southern Kentucky Chamber of Commerce voted unanimously in opposition to the recent decision by City Commission to enforce the city’s 1 percent occupational tax on workers in the Knox County portion of Corbin.

The Chamber Board recognizes and respects the city of Corbin’s need for steady tax revenue to provide services to its citizens. We also sympathize with the difficult legislative and legal position the city has been forced into, in recent years regarding collection of occupational taxes in the Knox County portion of the city. But we, as an organization pledged to represent the interests of our member businesses, do not support this increased tax burden on their employees.

We believe there are other options for the city to pursue and consider:

- Current law allowed Corbin, beginning in mid-2014, to collect a portion of occupational taxes in the Knox County part of the city without the need to “stack” its tax on top of the 1 percent tax already in place by the Knox County Fiscal Court. The city chose not to take advantage of this. That option is available again, beginning July 1, and we feel the city should exert its right to collect those taxes.
- In less than a decade, spending in long-standing departments within city government has increased by \$1.9 million. We believe the City Commission should explore ways to reasonably cut spending.
- If, after exhausting those options, and after careful and methodical budgetary deliberation, the city determines more revenue is needed, the chamber proposes and would support a more modest occupational tax rate over and above the offset provided to taxpayers in current law.
- The chamber would also support a review of other current city fees as a possible way to garner more revenue.

The mission statement of the Southern Kentucky Chamber of Commerce is “to create an environment in which area businesses are provided every opportunity to grow and prosper, while preserving the quality of life we treasure in our community.” The decision to enforce a full 1 percent tax on workers in Knox County we feel is ill timed and unfair. Businesses don’t just take into consideration the taxes on their net profits, but also the tax burden of their workers when deciding to locate to a community, expand and hire additional workers, or perhaps to relocate somewhere else. There are several companies looking at the Knox County side of Corbin as a potential home. We fear this move could endanger those plans and cost our community jobs.

The chamber board is respectfully requesting that the city commission reconsider and modify its most recent action on occupational taxes to something more acceptable to our local workers and businesses.

Sincerely,

Trent Knuckles, Larry Gray, Virginia Combs, Sandy Moore, Mike Sharpe,
Suzie Razmus, Lisa Harrison, Victor Patel, Jeannie Hensley, Maggy Kriebel
Board of Directors
Southern Kentucky Chamber of Commerce