

Exhibit 1. Overview of Revenue Tools in the Guidebook

Taxes on Goods and Services (“what you buy”)				
Revenue Tool	Who Primarily Pays?	What Does It Pay For?	What is Taxed?	Top Considerations
General Sales Tax (page 29)	Residents Visitors Businesses	Both: Services and capital improvements	Most goods and services (e.g., clothes, events, landscaping, repairs)	Large and stable revenue source for broad use. But little public support and concerns about disproportionate impacts on lower-income individuals.
Targeted Sales Tax (page 32)	Residents Visitors Businesses	Both: Services and capital improvements	Specific goods and services (e.g., prepared food, rental car)	Requires coordination with retailers, can unintentionally drive away economic activity, and useful for targeting goods or services.
Fuel Tax (page 34)	Residents Visitors Businesses	Both: Transportation infrastructure maintenance and investments	Gas consumption	Limited to transportation related improvements. Strong nexus between tax and benefit. Eroding tax base due to fuel-efficient and electric vehicles.
Transient Lodging Tax (TLT) (page 36)	Visitors	Services mostly: 70% related to tourism; 30% is discretionary	Lodging bookings based on cost of lodging	Limited tax base (lodging activities) and revenue use (promotion of tourism and tourism related facilities). Likely supported by the public.
Construction Excise Tax (CET) (page 39)	Developers	Capital: Affordable housing or school facilities	Value of construction permits	Clear nexus between tax and benefit, though revenues can fluctuate with development activity.
Taxes on Income (“what you earn”)				
Revenue Tool	Who Primarily Pays?	What Does It Pay For?	What is Taxed?	Top Considerations
Personal Income Tax (page 43)	Workers	Both: Services and capital improvements	Workers’ wages and salaries	A substantial and versatile revenue source. Strong administrative and political challenges.
Business Income Tax (page 45)	Businesses	Both: Services and capital improvements	Businesses’ net incomes	Can generate substantial revenue, but risks to economic activity.
Payroll Tax (page 47)	Workers and businesses	Both: Services and capital improvements	Workers’ wages and salaries	Can generate substantial revenue for a predefined funding objective but can have adverse effects on lower-income workers.
Taxes on Property (“what you own”)				
Revenue Tool	Who Primarily Pays?	What Does It Pay For?	What is Taxed?	Top Considerations
Local Option Levies (page 51)	Property owners	Both: Services and programs mostly but can fund capital expenses.	Assessed value of property	Generates moderate to high revenues in five-year timespans. Limited duration reassures voters but can be risky for some cities.



Taxes on Property (“what you own”)				
Special Districts (page 53)	Property owners	Services: Targeted or new municipal services	Assessed value of property	Can effectively fund singular or specialized service needs. Usually supported by the public.
Local Improvement District (LID) (page 55)	Property owners	Capital: Infrastructure improvements	Assessed value of property	Clear nexus and sufficient revenue to fund identified projects. Costs shared among participating property owners.
Economic Improvement District (EID) / Enhanced Service District (ESD) / Business Improvement District (BID) (page 57)	Business owners and/or property owners in a commercial district	Capital (EID): Commercial district capital improvements Services (ESD/ BID): Commercial district services	Assessed value of property, or business location in a commercial district	Versatile funding solutions to shared problems. Effective and well-managed districts have the potential for long-term stability and growth.
General Obligation (GO) Bonds (page 61)	Property owners	Capital: Capital investments	Assessed value of property	Potential for substantial funding for capital investment. Passing a GO Bond requires careful campaigning.
Tax Increment Financing (TIF) (page 63)	Property owners	Capital: Improvements for economic development or housing	Increases to assessed value of property	Funds capital projects related to economic development and housing. Generates revenues without raising taxes.
Fees and Charges (“what you do”) – Unlike taxes, fees are typically tied to specific uses, like building permits, utility services, or park entry fees.				
Revenue Tool	Who Primarily Pays?	What Does It Pay For?	What is Charged?	Top Considerations
Franchise Fees and Utility License Fees (ULFs) (page 67)	Utility providers	Both: Services and capital improvements	Fees on utility service providers, who then pass on the costs to customers	Stable and broad revenue source with unrestricted uses, but there are uncertainties about future revenue growth with changing regulations.
Municipal Services Fees (page 70)	Utility customers	Both: Services and capital improvements	Municipal services (through utility bills)	Easy to generate revenue, but with political challenges and disproportionate impacts.
Fees for Specific Services (page 74)	Residents Visitors Businesses	Services mostly: services related to fee	Specific services (e.g., copies, permits, rentals)	Nexus between fee and benefit. Highly variable considerations city to city.
Fines and Penalties (page 76)	Residents Visitors Businesses	Services mostly: services related to the violation	Violations	Not a reliable funding source. But can promote compliance.
System Development Charges (SDCs) (page 79)	Developers	Capital: infrastructure improvements	New development	Recovers a portion of costs associated with new development. Revenue is development-driven, likely fluctuating over time.

