

Please note the following corrections to chapter 8, "Taxes, Incentives, and Fiscal Policy Choices," by Carol E. Heim, in *Land Use: Challenges and Choices for the 21<sup>st</sup> Century*, 91<sup>st</sup> Arizona Town Hall report, ed. Patricia Gober (Phoenix: Arizona Town Hall, 2007). A paragraph of text was omitted inadvertently during the final stages of production of the report, and an error appeared in the numbering of endnotes.

The paragraph below should be inserted on page 88, following the paragraph that ends with the sentence "Glendale, for example, now is annexing land that has been available to it for almost thirty years, because the Loop 303 is projected for expansion as early as 2011."

The need for sales-tax revenues also may lead municipalities to favor retail uses over other land uses, such as residential development or heavy industry. This choice, and the resulting competition among municipalities, is called the "fiscalization of land use." In his book, *The Reluctant Metropolis*, William Fulton described the "Sales Tax Canyon" running through Ventura, Oxnard, and Camarillo along Highway 101, northwest of Los Angeles. These three cities have "wooed big retailers, cut red tape, arranged for the acquisition of land, and even given retail chains cash payments from tax funds," because under California's tax laws, "a retail store is a city's best cash crop."<sup>3</sup> Fulton argued that there is nothing wrong with stores and shopping centers such as those in Sales Tax Canyon, but was critical of municipalities that overturned planning priorities and provided subsidies to create them.

In the endnotes on page 130, endnote 2 should read:

2. US Census Bureau, "Table 2. Local Government Finances by Type of Government and State: 2001-02," [http://www.census.gov/govs/estimate/0200ussl\\_2.html](http://www.census.gov/govs/estimate/0200ussl_2.html). Fiscal year 2001-02 is the closest year to fiscal year 1999-2000 for which data are available to make this comparison. Arizona has transaction privilege taxes rather than traditional sales taxes. They are not imposed on the purchaser of the goods, but on the seller for the privilege of conducting business.

Please insert this correction page in your copy of the 91<sup>st</sup> Arizona Town Hall report. A corrected version of the report is available at the Arizona Town Hall web site, at <http://www.aztownhall.org>.