

## **The Shelby County Fairness Program:**

The Shelby County Fairness Program is a comprehensive overhaul of the local tax structure with its primary target being to ease the burden on taxpayers by eliminating the wheel tax by lowering the local sales tax, and the property tax rate by about 25 percent.

The Fairness Program is the *only* proposal that promises long-term tax relief, rather than just to add more new taxes onto that which already exists.

The Fairness Program cuts the tax burden by allowing the 66,000 people who drive into Shelby County to work every day to pay their fair shares for the upkeep of the public services which they use while earning \$4 billion per year.

The Fairness Program corrects the fundamental unfairness that lies at the heart of the present Shelby County tax structure and that punishes low-income families, seniors with fixed incomes, and young workers just getting started in their careers.

The proof of the unfairness of the current tax structure is undeniable. A taxpayer earning \$25,000 a year pays twice as much of their income in taxes as a taxpayer making \$100,000 a year. In a word, the county's tax structure is regressive. A recent survey of the largest community in each of the 50 states plus Washington, D.C. confirmed it, concluding that we have the most regressive tax structure of all 51 communities (per Office of Revenue Analysis, Washington, DC, and espoused by Marlin Mosby, PFM.)

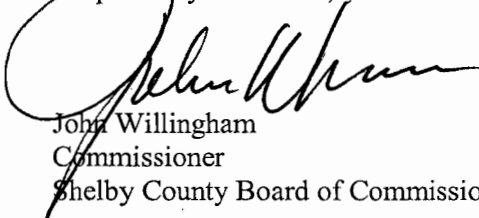
And the reason for the unfair tax system is our overdependence on property taxes and sales taxes, whose tax rates are the same for seniors on fixed incomes as international business executives. Until this over reliance is corrected, taxpayers in Shelby County will continue to be weighed down with the highest property tax rate in Tennessee and one of the highest sales tax rates in the USA.

The Shelby County Fairness Program will change all this. It's time for fairness. It's time for change.

In Summary, the Shelby County Fairness program would:

- Abolish the Wheel Tax 100%
- Roll back property tax by \$1.04 = 25.7% reduction
- Roll Back sales tax by 2 ¼ cents = 24.33 % reduction
- Allow those who earn \$4 billion per year to pay their fair share, and most importantly,
- Freeze property tax and sales tax for 10 years or until Payroll Tax is abolished
- Contribute 3% off the top to the State of Tennessee which would yield a combined contribution of \$750 million per year, plus growth factor, if adopted by all 95 counties of Tennessee

Respectfully submitted,



John Willingham  
Commissioner  
Shelby County Board of Commissioners



# Shelby County Board of Commissioners

160 N. Main Street • Suite 450 • Memphis, Tennessee 38103

(901) 545-4301

**JOHN WILLINGHAM**

*Commissioner*

*District 1, Position 3*

May 13, 2005

Mayor AC Wharton  
160 North Main, 8<sup>th</sup> floor  
Memphis, TN 38103

Dear Mayor Wharton,

I respectfully submit herewith for your consideration, constructive criticism and suggestions the attached Payroll Tax documents marked Revision 25 and dated 5/12/05, and hope that they will be received in the spirit in which they were conceived and finally transmitted herewith to you. I believe you will agree that the solutions to Memphis and hence Shelby County's financial problems rest entirely with our elected city, county and particularly state officials. Would you please review and share with me your constructive criticisms and/or suggestions.

The question is – do we, as elected officials, have the political will - and courage to match, to think outside of the box for the benefit of the many and not (for a change) just for the Good-Ole-Boy Puppeteers of the best politicians that money can buy?

I believe the attached pages 1, 2, and 3 are self explanatory, but should you have any questions please feel free to call me night or day at my home 901/682-0100, or my cell phone 901/848-7427.

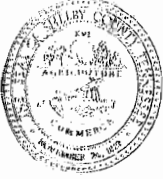
Respectfully submitted,

A handwritten signature in cursive script that reads "John Willingham".

John Willingham  
Shelby County Commissioner  
JW/ls

cc: Tennessee State Senators & Reps, Shelby County Delegation  
Regional Chamber of Commerce Dexter Muller  
Jayne Crason, County Clerk  
Bob Patterson, Trustee  
Rita Clark, Assessor  
Shelby County Commissioners  
Mayor AC Wharton

Enclosures: Payroll Tax



# Shelby County Board of Commissioners

160 N. Main Street • Suite 450 • Memphis, Tennessee 38103

(901) 545-4301

**JOHN WILLINGHAM**

*Commissioner*

*District 1, Position 3*

November 14, 2005

Mayor AC Wharton  
160 North Main, 8<sup>th</sup> floor  
Memphis, TN 38103

Dear AC,

Thank you for the courtesy extended to me and Steve Summerall during our meeting with you, Kelly Rayne and Kevin Gallagher at Bosco's last Thursday evening. I am so grateful to have your encouragement to pursue the Comprehensive Tax Burden Relief program. I am truly glad to have the opportunity to be the point person for this program at this stage.

Hopefully, as we (myself and fellow supporters) go to the town meetings and meetings with the many housing for the elderly and assisted living locations across the county, the obvious support will be there and we will have accomplished the goals and objectives we've discussed over the past 35 revisions of the program.

Thank you again for your confidence. I believe the major players on the business and industry side of the ledger will see that this is not only good for the poor, the retired, the fixed income folks - they will see that it's good for them as well as across the board, from \$333/year to \$1. million/year payroll recipients. If a person owns property in Shelby County commensurate to your annual income, the individual will have a reduction in his overall taxes - Wheel, property and sales tax.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Willingham", is written over a large, stylized flourish or scribble.

John Willingham  
Commissioner

**Shelby County Fairness Program  
Comprehensive Tax Burden Relief For all Shelby County Citizens  
By: Commissioner John Willingham**

**A tax burden relief must be a comprehensive effort to fix our tax problems and provide the following:**

- A) Reduce and/or abolish taxes**
- B) Restore advantage to taxpayer owned businesses**
- C) Pay down the county's debt**
- D) Make Shelby County competitive with neighbors without issuing additional PILOTs, and**
- E) Provide meaningful contributions to State of Tennessee and 7 cities of Shelby County**

**According to Regional Chamber of Commerce the total Shelby County Payroll in 2003 from business and government was \$20 Billion, of that \$4 Billion (20%) is paid to people who pay no taxes to Shelby County, thus WITHOUT DISCRIMINATION**

	<u>Income</u>
1) A 2.5% Privilege Payroll Tax on \$20 billion would bring in	\$ 500,000,000
2) Less 1% collection fee paid to Trustee	(\$ 5,000,000)
3) Less 3% Shelby County's contribution to the State of Tennessee's TennCare deficit	(\$ 15,000,000)
4) Less 3% contribution to 7 cities of Shelby County based on their pro rata share of Payroll Tax	(\$ 15,000,000)

**Thus, the available revenue collected b Trustee, less contributions to State and 7 Shelby County cities = + \$465,000,000**

<u>Less the Cost(s) required to pay for Shelby County Tax Burden Relief by:</u>	<u>Cost(s)</u>
1) Abolishing the Wheel Tax (as per Jayne Creson, County Clerk) <i>(100% Reduction)</i>	\$ 31,000,000
2) Lowering existing 2005-2006 Property Tax of \$4.04 by \$1.04 per \$100 of assessed value effective July 2005 per Trustee Bob Patterson & Assessor Rita Clark = <i>25.7% Reduction</i>	\$156,000,000
3) Lowering Sales Tax 2 ¼ cents (from 9 ¼ cents to 7 cents) per Trustee = <i>24.33% Reduction</i>	\$256,000,000
<b>Less total cost(s) of Proposed Expenditures:</b>	<b>- \$(443,000,000)</b>
<b>And thus Shelby County would have Surplus Funds of:</b>	<b>+\$ 22,000,000</b>

**Taxpayer demands, suggestions, observations and constructive criticism follows:**

- \* The 2.5% Payroll Tax will have a term life limit of 10 years.
- \* The Payroll Tax cannot be continued beyond 10 years unless approved by Countywide Referendum.
- \* Neither the Wheel Tax, Property Tax, nor the Sales Tax can be raised for **10 years** or until Payroll Tax is abolished.
- \* The 2.5% Payroll Tax can be deducted from the individual's *Federal Income Tax Return*. (see letter from IRS)

**PILOTS and WELFARE**

**Shelby Countians pay \$60,000,000 per year thru the avenue of Corporate Welfare PILOTS**

**ALL PILOTS should be brought before the County Commission for approval by resolution, including NEW PILOTS and the renewal of existing PILOTS.**

**The Industrial Development Board and the Center City Commission would each be limited to one new PILOT & one renewal PILOT each year and that all existing PILOT recipients will be held accountable if they fail to meet commitments as promised. Further, said PILOTS would be subject to review and possible termination at the discretion of the Shelby County Commission and Memphis City Council.**

\*\* Attached projections were as developed by Assessor Rita Clark and Cheyenne Johnson, updated 11/2/05

A Comprehensive Shelby County Tax Burden Relief: Commissioner John Willingham  
 in Concert with Rita Clark, Assessor and Staff  
 November 2, 2005

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Individual Income	Home Value	Assessed Value, 2005	Current Shelby County Property Tax @ 4.04 per \$100 of Assessed Value	# of Cars	Wheel Tax (\$50 per car)	Sales Tax @ 9.25% applied to 50% of income	Current 2006 Shelby County Property Tax @ \$4.04, Wheel and Sales Tax	Net Tax reduction (#8) - (#10)	Net Savings (#8) - (#11) - (#12)	Total Savings after Adj. 2006 Property Tax by \$1.04, Abolish Wheel Tax, Reduce sales tax 2.25%, Plus 2.5% Payroll Tax	Savings after Adjusting Possible 2006 Shelby County Taxes (\$4.04) by \$1.04 to \$3.00	Savings after Abolish Wheel Tax (\$50 per car)	Savings after lowering sales tax from 9.25% to 7% applied to 50% of income	Savings Amount of Privilege Tax that may be deducted from state or federal income taxes	2.5% Privilege Payroll Tax
\$333	\$1,000	\$250	\$10	1	\$50	\$15	\$75	\$23	\$52	\$60	\$2	\$50	\$4	\$4	\$8
\$667	\$2,000	\$500	\$20	1	\$50	\$31	\$101	\$47	\$54	\$71	\$5	\$50	\$8	\$9	\$17
\$1,000	\$3,000	\$750	\$30	1	\$50	\$46	\$126	\$70	\$56	\$81	\$7	\$50	\$11	\$13	\$25
\$1,333	\$4,000	\$1,000	\$40	1	\$50	\$62	\$152	\$94	\$58	\$91	\$10	\$50	\$15	\$17	\$33
\$1,667	\$5,000	\$1,250	\$51	1	\$50	\$77	\$178	\$117	\$61	\$103	\$13	\$50	\$19	\$21	\$42
\$3,333	\$10,000	\$2,500	\$101	1	\$50	\$154	\$305	\$233	\$72	\$155	\$26	\$50	\$37	\$42	\$83
\$6,667	\$20,000	\$5,000	\$202	1	\$50	\$308	\$606	\$466	\$94	\$311	\$52	\$50	\$75	\$84	\$167
\$10,000	\$30,000	\$7,500	\$303	1	\$50	\$463	\$916	\$701	\$116	\$366	\$78	\$50	\$113	\$125	\$250
\$13,333	\$40,000	\$10,000	\$404	1	\$50	\$617	\$1,217	\$934	\$137	\$470	\$104	\$50	\$150	\$167	\$333
\$16,667	\$50,000	\$12,500	\$505	2	\$100	\$771	\$1,517	\$1,167	\$209	\$626	\$130	\$100	\$188	\$209	\$417
\$20,000	\$60,000	\$15,000	\$606	2	\$100	\$925	\$1,821	\$1,400	\$231	\$731	\$156	\$100	\$225	\$250	\$500
\$23,333	\$70,000	\$17,500	\$707	2	\$100	\$1,079	\$2,126	\$1,633	\$253	\$836	\$182	\$100	\$262	\$292	\$583
\$26,667	\$80,000	\$20,000	\$808	2	\$100	\$1,233	\$2,430	\$1,866	\$275	\$942	\$208	\$100	\$300	\$334	\$667
\$30,000	\$90,000	\$22,500	\$909	2	\$100	\$1,388	\$2,737	\$2,101	\$297	\$1,047	\$234	\$100	\$338	\$375	\$750
\$33,333	\$100,000	\$25,000	\$1,010	2	\$100	\$1,542	\$3,044	\$2,334	\$318	\$1,151	\$260	\$100	\$375	\$417	\$833
\$50,000	\$150,000	\$37,500	\$1,515	3	\$150	\$2,313	\$4,518	\$3,501	\$478	\$1,728	\$390	\$150	\$563	\$625	\$1,250
\$66,667	\$200,000	\$50,000	\$2,020	3	\$150	\$3,083	\$5,253	\$4,666	\$587	\$2,254	\$520	\$150	\$750	\$834	\$1,667
\$83,333	\$250,000	\$62,500	\$2,525	3	\$150	\$3,854	\$6,529	\$5,833	\$696	\$2,779	\$650	\$150	\$937	\$1,042	\$2,083
\$100,000	\$300,000	\$75,000	\$3,030	3	\$150	\$4,625	\$7,805	\$7,000	\$805	\$3,305	\$780	\$150	\$1,125	\$1,250	\$2,500
\$116,667	\$350,000	\$87,500	\$3,535	3	\$150	\$5,396	\$9,081	\$8,167	\$914	\$3,831	\$910	\$150	\$1,313	\$1,459	\$2,917
\$133,333	\$400,000	\$100,000	\$4,040	4	\$200	\$6,167	\$10,407	\$9,334	\$1,073	\$4,406	\$1,040	\$200	\$1,500	\$1,667	\$3,333
\$150,000	\$450,000	\$112,500	\$4,545	4	\$200	\$6,938	\$11,663	\$10,501	\$1,183	\$4,933	\$1,170	\$200	\$1,688	\$1,875	\$3,750
\$166,667	\$500,000	\$125,000	\$5,050	4	\$200	\$7,708	\$12,958	\$11,666	\$1,292	\$5,459	\$1,300	\$200	\$1,875	\$2,084	\$4,167
\$200,000	\$600,000	\$150,000	\$6,060	4	\$200	\$9,250	\$15,510	\$14,000	\$1,510	\$6,510	\$1,560	\$200	\$2,250	\$2,500	\$5,000
\$233,333	\$700,000	\$175,000	\$7,070	4	\$200	\$10,792	\$18,062	\$16,334	\$1,728	\$7,561	\$1,820	\$200	\$2,625	\$2,917	\$5,833
\$266,667	\$800,000	\$200,000	\$8,080	4	\$200	\$12,333	\$20,613	\$18,666	\$1,947	\$8,614	\$2,080	\$200	\$3,000	\$3,334	\$6,667
\$300,000	\$900,000	\$225,000	\$9,090	4	\$200	\$13,875	\$23,165	\$21,000	\$2,165	\$9,665	\$2,340	\$200	\$3,375	\$3,750	\$7,500
\$333,333	\$1,000,000	\$250,000	\$10,100	4	\$200	\$15,417	\$25,717	\$23,334	\$2,383	\$10,716	\$2,600	\$200	\$3,750	\$4,167	\$8,333
\$666,667	\$2,000,000	\$500,000	\$20,200	4	\$200	\$30,833	\$51,233	\$46,666	\$4,567	\$21,234	\$5,200	\$200	\$7,500	\$8,334	\$16,667
\$1,000,000	\$3,000,000	\$750,000	\$30,300	4	\$200	\$46,250	\$76,750	\$70,000	\$6,750	\$31,750	\$7,800	\$200	\$11,250	\$12,500	\$25,000

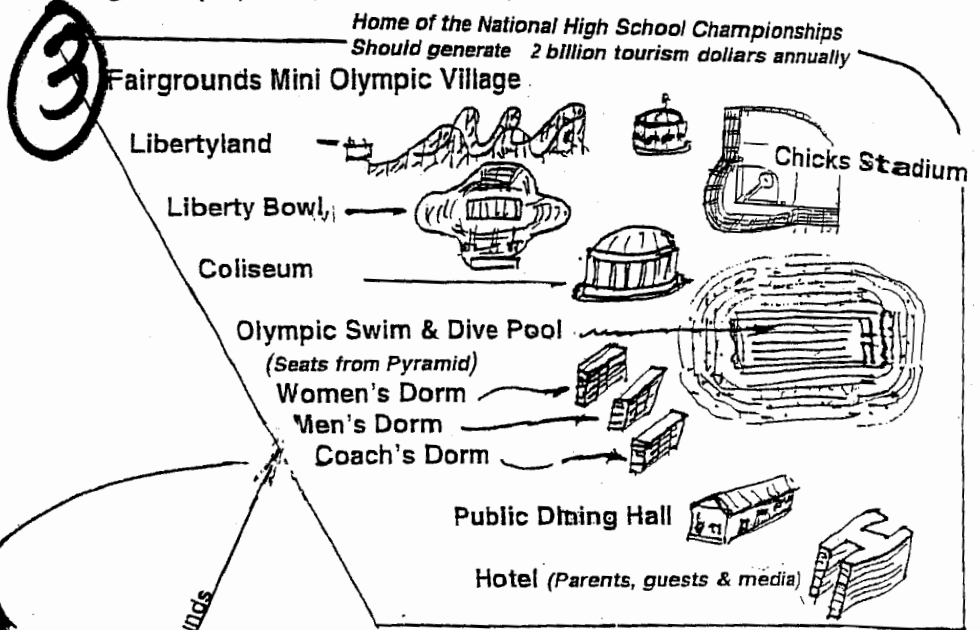
Instructions: Select Income (Col. #1); Identify current taxes being paid (Col. #8)  
 Review total savings (Col. #11) from Col. #12, #13, #14, and #15; after implementing Tax Burden Relief Proposal Changes

# COMPOSITE SOLUTION FOR MEMPHIS & SHELBY COUNTY FINANCIAL DILEMMA

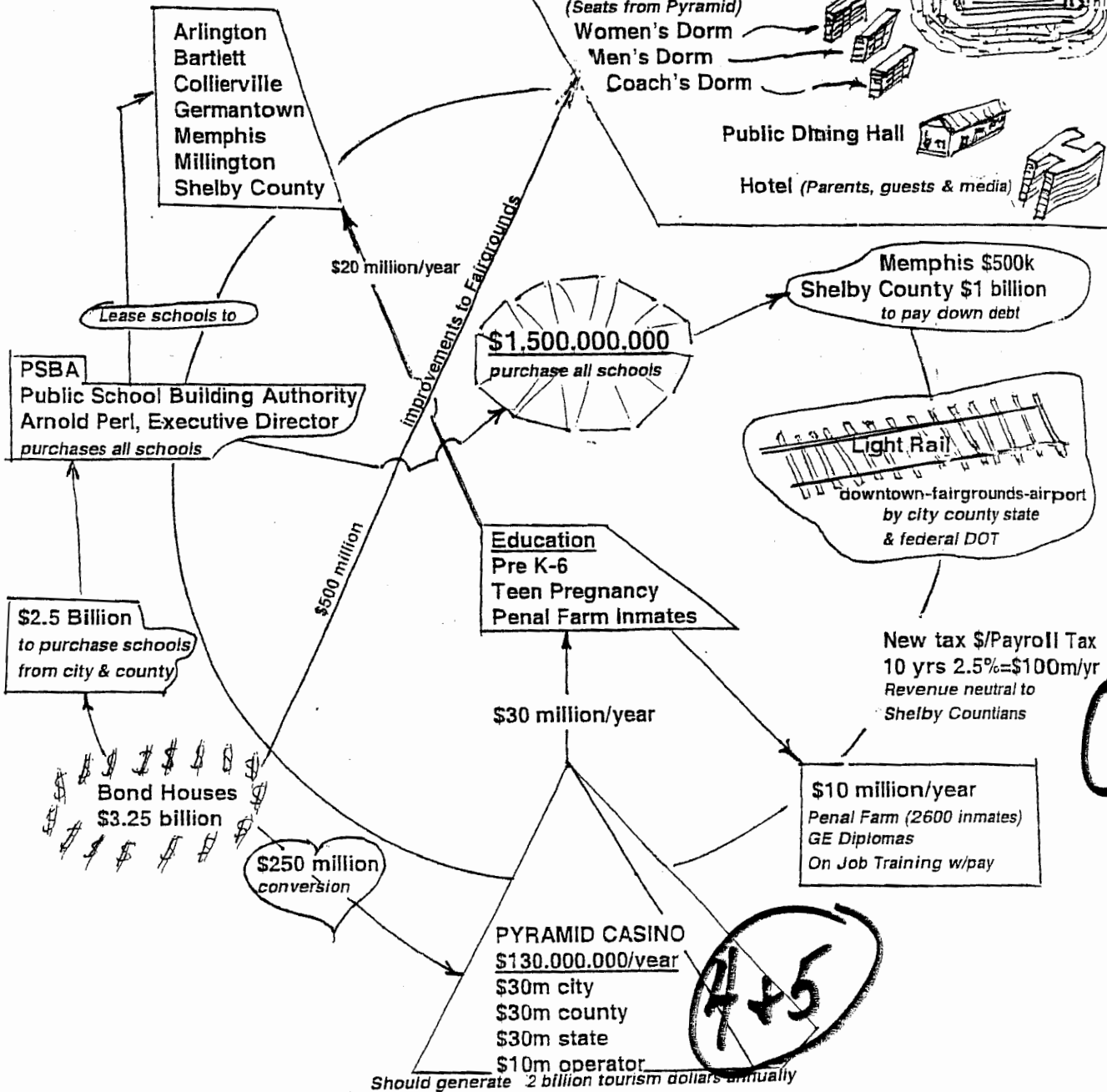
all related to Pyramid, Fairground properties, education & tax problems

## Major Problems Memphis & Shelby County

	age 20-35	35-55	55 & up
*Crime	1	3	2
*Education	2	1	3
*Taxes	3	2	1



**2**



## REACTION CIRCLE

By John Willingham  
Revision #23 February 3, 2005



# Shelby County Board of Commissioners

160 N. Main Street • Suite 619 • Memphis, Tennessee 38103

(901) 545-4301 • Fax (901) 545-4283

JOHN WILLINGHAM  
Commissioner

March 17, 2004

Mr. Daniel A. Cassano  
Office of Chief Counsel  
Internal Revenue Service  
1111 Constitution Avenue, N.W.  
Washington, D.C. 20224

Dear Mr. Cassano:

The purpose of this letter is to request your response to the question of whether or not a local payroll tax is deductible from federal income tax returns.

The Shelby County Board of Commissioners is considering the possibility of reforming the current tax structure and implementing a local payroll tax. At the present time, legislation is pending in the state legislature that would permit local legislative bodies to implement a payroll tax. If in fact this measure passes, Shelby County Commissioners would consider implementing the tax locally.

One of the primary questions that commissioners will ask is whether or not the local payroll tax is deductible from federal returns. There is some debate about whether or not a payroll tax is paid by the employer or employee. However, I would like to know the answer to the question of deductibility for both scenarios.

- If an employer deducts from an employee's paycheck and then pays a privilege payroll tax to the Shelby County Trustee on behalf of the employee, is this amount deductible from the employees personal federal income tax return?
- If the employer simply pays a privilege payroll tax, is it deductible from federal business tax?

Any help you can provide to resolve this question is very much appreciated. If you need any further information or wish to speak with me directly, please contact the County Commission office at (901) 545-4301.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Willingham".

John Willingham  
Shelby County Commissioner



CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

APR 26 2004

The Honorable Harold E. Ford, Jr.  
Member, U.S. House of Representatives  
167 North Main Street, Suite 368  
Memphis, TN 38103

Attn: Ms. Nicole Francis

Dear Congressman Ford:

This letter responds to your inquiry dated March 1, 2004, on behalf of your constituent, Mr. Steven Summerall, Deputy Administrator, Shelby County Board of Commissioners (the Board). Mr. Summerall asked whether a local payroll tax, which the Board is considering, would be deductible for federal tax purposes. To address the issues more fully, we requested more information and received a letter dated March 17, 2004 (copy enclosed) from Mr. John Willingham, Shelby County Commissioner. Unfortunately, we were not able to obtain a copy of the proposed legislation that would permit local legislative bodies to implement such a tax.

Mr. Willingham asked two specific questions:

1. If an employer deducts from an employee's paycheck and then pays a privilege payroll tax to the Shelby County Trustee on behalf of the employee, is this amount deductible from the employee's personal federal income tax return?
2. If the employer simply pays a privilege payroll tax, is it deductible from federal business tax?

The deductibility of two types of taxes is relevant to Mr. Willingham's questions: (1) local income taxes; and (2) taxes paid or accrued within the taxable year in carrying on a trade or business or in carrying on an activity related to the production of income. [Section 164 of the Internal Revenue Code (the Code)]. The second type of tax is deductible as either a trade or business expense (section 162 of the Code) or as an expense related to the production of income (section 212 of the Code), not as a tax. (*Mertens, Law of Fed Income Tax Section 27:75*). This distinction is important in determining how the amount would be deductible by employees, as explained in the answer to Question 1 below.

Another important distinction the Board should consider is the distinction between a tax (including an income tax) and a license fee.



### Definition of Tax

A tax is an enforced contribution exacted under legislative authority in the exercise of the taxing power (*Rev. Rul. 86-140, 1986-2 C.B. 195*). Legislative authorities impose taxes to raise revenue for public or governmental purposes. A payment for some privilege granted or service rendered is not a tax. Ordinarily, when an individual or organization pays an amount into a specific fund or for a specific purpose, it is not a tax (*Rev. Rul. 77-29, 1977-1 C.B. 44*). A legislative authority can direct a tax at a given class or locality [*Houck v. Little River Drainage District, 239 U.S. 254, 265 (1915)*].

More specifically, an income tax is defined as a direct tax on income, gains, and/or profits. A tax can be considered an income tax even if restricted to only certain forms of income [*McGowan v. Commissioner, 67 T.C. 599, 610 (1976)*].

### Definition of License Fee

A license fee is an assessment paid to a government for a privilege. For example, an amount paid for an occupational or employment license is a license fee, not a tax. A license fee may serve a regulatory purpose.

### Response to Question 1

If the employer deducts the assessment from the employee's paycheck, I assume the legislation would calculate the assessment based on the amount of the employee's income (perhaps using federal taxable income as a starting point, with enumerated adjustments). Presumably, the legislation would assess the amounts against employees whose employers are located in the county. Employers would withhold this assessment from the employees' paychecks and remit it to the county (similar to how employers withhold federal income tax from employees). Employees would then file a local income tax return each year to account for any discrepancy between the amount of local tax paid in and the amount of local tax assessed.

If these assumptions are correct, the assessment Mr. Willingham describes would be a local income tax and employees who itemize their deductions could deduct it on Form 1040, Schedule A, Line 5 (State and local income taxes). Employees who do not itemize their deductions on Schedule A of Form 1040 would not benefit from this deduction.

The fact that Mr. Willingham described the assessment as "a privilege payroll tax" (presumably, for the privilege of being employed in the county) would not affect the true nature of the tax if it is assessed somehow on the income of the employee. Principles developed under federal law, not state or local designations, determine whether a

payment falls within the definition of income taxes as used in federal statutes (*Rev. Rul. 81-191, 1981-2 C.B. 49*).

If, however, the legislation assesses the amount on employees as a fixed amount (for example, \$250 per head) for the privilege of employment in the county, this would be a fee for an occupational or employment license.

*Unpaid*

*Self-employed  
W-2  
Form 1040  
A*

If the amount is a license fee, only employees who itemize deductions can deduct it and only as an employee business expense on Schedule A, Line 20 (Unreimbursed employee expenses). Employee business expenses receive less favorable treatment than local income taxes. An individual can only deduct employee business expenses as miscellaneous itemized deductions subject to the 2% of adjusted gross income floor (Form 1040, Schedule A). Therefore, if the amount is a license fee, many employees will not be able to benefit from this deduction.

Additionally, the overall itemized deductions of some higher income employees may be limited. Also, employees taxed under the alternative minimum tax scheme cannot take a deduction for Schedule A income taxes or for Schedule A miscellaneous itemized deductions [Section 56(b)(1)(A) of the Code].

**Response to Question 2**

If the employer simply pays a privilege payroll tax, I assume that employers subject to the assessment would be involved either in a trade or business or in a for-profit activity. I also assume the employer would be assessed either: (a) an amount based on gross payroll; or (b) an amount based on the number of employees.

If these assumptions are correct, because the assessment is not based on the income of the employer, it is not an income tax. Rather, the assessment would be an employer license fee.

As an employer license fee, employers can deduct this amount as either an ordinary and necessary business expense (section 162 of the Code) or as an ordinary and necessary expense incurred in a for-profit activity (section 212 of the Code).

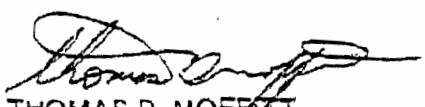
If, however, the amount is treated as a tax, the employer could still deduct it in the same manner because both taxes and license fees are equally deductible on the same tax return line by profit-seeking employers. This rule applies to corporate employers (Form 1120), partnership employers (Form 1065) and individual employers (Form 1040, Schedule C).

This rule has an exception. If the employer is subject to the uniform capitalization rules (section 263A of the Code), the employer may need to capitalize the assessment (whether it is treated as a license fee or a tax). The capitalized assessment would then

be recovered through the depreciation of self constructed property or through cost of goods sold, depending on the type of business activities involved.

I hope this information is helpful. If you have any questions, please call me or Mr. Daniel Cassano at (202) 622-7900.

Sincerely,



THOMAS D. MOFFITT  
Chief, Branch 2  
Office of Associate Chief Counsel  
(Income Tax and Accounting)

Enclosure



# Shelby County Board of Commissioners

160 N. Main Street • Suite 450 • Memphis, Tennessee 38103

(901) 545-4301

**JOHN WILLINGHAM**

*Commissioner*

*District 1, Position 3*

March 15, 2005

Stan Meadows  
Lawyer Extraordinaire  
Memphis, Tennessee

Dear Mr. Meadows:

Thank you for returning my phone call placed to you on February 28, 2005 and returned March 2, 2005.

The purpose of my call was to request your verbal or written assurance that the Grizzlies would not oppose gambling in the Pyramid.

For more than two years, I have been under the impression that you and the Grizzlies would not oppose gambling in the Pyramid. Never during the past 24 months did you say otherwise when you and I discussed gambling in the Pyramid. In fact, you told me that a casino in the Pyramid would bring tourists who might not otherwise come to Memphis, and that this could help the Fed Ex Forum and the rest of the businesses in downtown Memphis.

I believed your support would stimulate elected officials and the people of Shelby County to get on board and push our Pyramid Casino Petition.

Your response to my request went something like this:

1. "We are not sure the Pyramid would work as a casino and we would have to take a look at plans and specifications to see how the Pyramid would be used". You went on.
2. "Frankly John, we would like to see the Pyramid shuttered; this would only cost \$250,000.00 a year, according to our figures", and
3. "If casino gambling were to come to Memphis, we would like to see it near the Fed Ex Forum or in the Peabody Place complex".

Mr. Stan Meadows

Page 2

March 14, 2005

I can understand why you want a casino near the Fed Ex Forum. I can understand why the Belz Family would like to have the casino in the Peabody Place complex. I can also understand you not wanting competition from the Pyramid in regards to quality entertainment and major events market.

It seems to me that enough is never going to be enough for Michael Heisley. He got the gold, and we the taxpayers got, and continue to get the shaft on the arena. Furthermore, Heisley even got \$90,000,000.00 for the naming rights of the NBA Arena.

The no compete clause is already a guarantee for Heisley, but to close the Pyramid is a solution that guarantees gold plated profits for Heisley and another guaranteed shaft to the taxpayers of Shelby County.

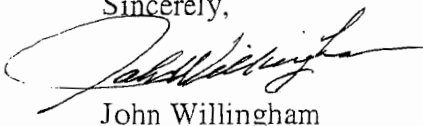
IF Memphis and Shelby County were solvent, and if Tunica did not already have gambling 20 minutes from Memphis, I'd rather not have gambling in Memphis or Shelby County. Also, if \$400,000,000.00 a year were not going to Tunica from Shelby County residents or if 7,000 residents from Shelby County were not employed in Tunica Casinos with income tax deducted from their checks every payday, I would prefer not to have gambling in Memphis or Shelby County. Of the \$20 Billion of Shelby County's annual payroll, \$4 Billion is paid to employees who do not reside in Shelby County nor do they pay wheel tax, property tax or sales tax in Shelby County. Finally, if the real threat of a casino in West Memphis did not exist, I would not consider gambling in Memphis or Shelby County.

IF Memphis Light Gas and Water had not pledged \$2.5 million a year for 26 years to the Fed Ex Forum, maybe the taxpayers of Shelby County would not be experiencing 100% plus increases in their utility bills.

IF you didn't have a strangle hold on the Pyramid and the Coliseum, maybe we would have realized several hundreds of thousands of income which would have otherwise been available to offset funds we will have to generate from the taxpayers to pay off \$30,000,000.00 owed on the Pyramid.

You are holding Memphis and Shelby County hostage. Somehow, I believe when the taxpayers realize what you have done for Heisley, by accident or on purpose, they will be furious and, if they are not, I will do everything in my power of influence to encourage them to go for your Achilles heal, i.e., pocketbook. My hope is that you can reconsider your position!

Sincerely,



John Willingham  
Citizen of Shelby County

JW:ss

**Directed to the Attention Of:**

**United States Congress:**

**U.S. Senators;** Bill Frist and Lamar Alexander.

**U.S. House of Representatives:** Harold Ford Jr., Marsha Blackburn and John Tanner.

**State of Tennessee:**

**Governor;** Phil Bredesen.

**Legislature:**

**State Senators;** Curtis Person, Steve Cohen, John Ford, Mark Norris, Roscoe Dixon and Jim Kyle,

**State Representatives;** Chair, John Towns, Tre Hargett, Ulysses Jones, Lois De Berry, Paul Stanley, Curry Todd, WC Pleasant, Katherine Bowers, Barbara Cooper, Larry Miller, Larry Turner, Beverly Marrero, Henri Brooks, Mike Kernell, Brian Kelsey and John J. Deberry, Jr..

**City of Memphis:**

**City Mayor;** W. W. Herenton

**City Councilmen;** Chair, Joe Brown, Vice Chair, Brent Taylor and Barbara Swearingen Holt, Edmund Ford, Myron Lowery, Jack Sammons, Tom Marshall, E. C. Jones, Carol Chumney, Janet Hooks, Scott McCormick and Rickey Peete.

**County of Shelby:**

**County Mayor;** A. C. Wharton

**County Commissioners;** Chair, Michael Hooks, Vice Chair, Tom Moss and Marilyn Loeffel, Dr. George Flinn, John Willingham, Walter Bailey, Julian Bolton, Deidre Malone, Dr. Cleo Kirk, Joe Ford, Joyce Avery, David Lillard and Bruce Thompson.

I/We the undersigned, residing in the City of Memphis and/or the County of Shelby, in the Great State of Tennessee, hereby petition the above elected officials to use their best efforts, to cause the Memphis Pyramid to become a Casino. For the following reasons:

**Allow GAMBLERS Pay The Taxes of Memphis, Shelby County and the State of Tennessee!**  
**The same as Gamblers Pay The Taxes of Tunica, Tunica County and the State Mississippi!!**  
**WHY? So Shelby Countian's can reduce Property Taxes and our \$1,700,000,000.00 debt!!!**  
**Non-Gambler's could pay less property taxes and therefore give more to their Church!!!!**

**Fellow Tax Paver, Did You Know?:**

Over One Million dollars each day goes to Tunica County Miss. from Shelby County and thus, Shelby County Citizens are paying the Taxes for Tunica, Tunica County and for the State of Mississippi.

Over 7,000 Shelby County residents drive to work in Tunica each day and

Pay a State Income Tax to the State of Mississippi and ZERO Income Tax to Shelby County.

Most of the 7,000 buy 65% of their food, clothing and services in Tunica and Desoto Counties MS @ 7% sales tax rather than pay 9 ¼ % in Shelby County TN.

They drive 4,000 cars 70 miles each round trip to Tunica each day =280,000 miles. Averaging 20 mpg they burn 14,000 gallons of fuel each day and that quantity does not include the fuel that Shelby County gamblers burn as they travel to and from Tunica!

Tunica Casino Owners, Tunica, Tunica County, the Mississippi Legislature and the Religious Leaders of Shelby County have become *partners of convenience, pledged to defeat Casino Gaming in the Pyramid* for the following reasons:

1. Casinos do not want competition in Shelby County TN or Crittenden County AR
2. Tunica, Tunica County & Mississippi Legislators want us to continue paying their taxes!
3. Religious Leaders preach "Gambling is sinful and would bring crime to Shelby County".

Attorney General Bill Gibbons, told the Shelby County Board of Commissioners that;

"Of the 87 Major Cities in USA, Memphis ranks #1 in crime" Can we get any worse than #1!

The Memphis Pyramid as a Casino containing a 400 Room Hotel, along with other major attractions such as the "The Wonder Series", "Ripley's Believe It or Not" "National BBQ Hall of Fame" an "Aquarium" and a 1500 car parking garage, all under the same roof would without question draw several Billion\$ of touri\$ dollar\$ annually.

Located on the banks of the mighty Mississippi, just north of Interstate 40 where it crosses into Arkansas, the Grand Pyramid Casino would anchor the north end of downtown Memphis, as a Major Entertainment Icon, it would serve

as a catalyst to draw premier exhibitor\$ and buyer\$ to Memphis as a "Major League Convention Center" and would even increase attendance at Fed-EX Forum and the Cannon Center!

Lakes Gaming LLC Projects a Bottom Line Income of \$130,000,000 annually to be shared: 30 Million to the State of TN, 30 million to Memphis, 30 million to Shelby County and 10 to million to Lakes Gaming, with 30million directed to education: Pre-K thru 6<sup>th</sup> Teen Pregnancy and On Job Training at Penal Farm.

**Your assistance** in this effort will be greatly appreciated. Accordingly, **your opposition** to this effort will not go un-noticed. You may rest assured that **my/our** vote in your next election will reflect our favor or disfavor with your position taken on this matter. Our Goal is to collect 200,000 signatures of Shelby County TAX PAYERS.

Please don't consider this petition as a threat, rather consider this petition as a promise.

Print Your Name	Signature	Address and Zip Code	Phone #	E-mail
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