

RESOLUTION NO. 2022-3

**A RESOLUTION OPPOSING LEGISLATION REGARDING
THE BUSINESS PERSONAL PROPERTY TAX**

WHEREAS, the Indiana legislature proposed changes to the depreciation floor and other aspects of Indiana's business personal property tax as a priority in their 2022 legislative agenda; and,

WHEREAS, the Greencastle Common Council has grave concerns with all legislation that contemplates eliminating any portion of the personal property tax without a permanent FULL replacement guaranteed by the state; and,

WHEREAS, any contemplated revenue replacement must be a source of revenue that continues to grow over time just as a property tax base would in order to allow communities to cover increases in operating costs and to meet the demand for increases in services; and,

WHEREAS, a permanent state tax credit applied to ALL proposed business personal property tax reductions, holidays, phase-outs, etc., could eliminate an unnecessary burden on local government in order to continue building healthy Indiana communities; and,

WHEREAS, the personal property tax is a relied upon method for funding local government; and,

WHEREAS, for taxing units not at the 1, 2, or 3% caps, a reduction in the tax base could result in property owners paying more in residential, income producing residential, and agricultural property taxes. For those communities at the caps, any phase out or reduction of business personal property assessed value means a loss in revenue for local units of government; and,

WHEREAS, in Putnam County, the \$342,240,211 in business personal property assessed value made up 23.2% of the total taxable net assessed value of the county for 2020 pay 2021 taxes; and,

WHEREAS, for the Greencastle Community School Corporation, the \$187,138,198 in business personal property assessed value made up 40.2% of the total taxable net assessed value of the school district for 2020 pay 2021 taxes; and,

WHEREAS, in the City of Greencastle, the \$122,616,558 in business personal property assessed value made up 47.3% of the total net assessed value of the city for 2020 pay 2021 taxes; and,

WHEREAS, it is nearly impossible to determine the exact impact of changes to the 30% depreciation floor to property tax revenue due the city without individually analyzing over 290 business personal property tax returns for businesses located within the city; and,

WHEREAS, the City of Greencastle, as a county seat with a large number of businesses, has the potential to see a significant decrease in business personal property tax assessed value, a decrease in associated revenue, and an adverse impact of the property tax caps; and,

WHEREAS, the Tax Foundation's 2022 State Business Tax Climate Index lists Indiana as number one ranking for low property taxes; and,

WHEREAS, Indiana consistently ranks in the top states with an attractive business tax climate, yet a community's quality of life is an increasingly greater influencer of business relocation and growth decisions.

NOW, THEREFORE BE IS RESOLVED, by the Common Council of the City of Greencastle that:

1. The Common Council OPPOSES all legislation that contemplates eliminating any portion of business personal property tax assessed value that would result in a loss of local tax revenue.
2. The Common Council urges the Indiana House of Representatives and the Indiana Senate to insure that any revenue lost due to changes in the assessment of business personal property be replaced with a permanent guaranteed replacement revenue stream.

This resolution shall become effective upon the date of passage.

PASSED AND RESOLVED by the Common Council of the City of Greencastle at its regular meeting this 13th day of January, 2022.

COMMON COUNCIL OF THE CITY OF GREENCASTLE, INDIANA


Adam Cohen

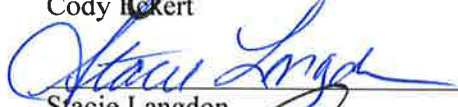

Mark Hammer


Dave Murray

ABSENT

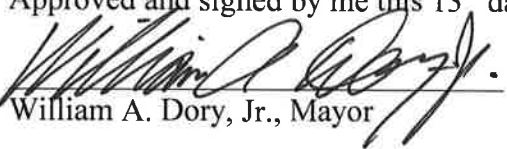
Jacob Widner


Cody Hebert


Stacie Langdon


Veronica Pejril

Approved and signed by me this 13th day of January, 2022 at 8:50 p.m. o'clock.


William A. Dory, Jr., Mayor

ATTEST:


Lynda R. Dunbar, Clerk-Treasurer