

RESOLUTION NO. 2022-5

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

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

WHEREAS, the City of Columbia City opposes all legislation that contemplates eliminating any portion of the personal property tax without permanent FULL replacement guaranteed by the State of Indiana; 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 growing communities to meet the demand for services; and

WHEREAS, a permanent state tax credit applied to ALL proposed business personal property tax reductions, holidays, phase-outs, etc., could eliminate 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, yearly Assessed Valuation growth is relied upon for cost increases and not a reasonable replacement mechanism; and

WHEREAS, for taxing units not at the caps, a reduction in the tax base could result in property owners paying more in residential property taxes; for those communities at the caps, any phase out of the business personal property tax means a loss in revenue for local units of government; and

WHEREAS, Business Personal Property Tax distributions to local units of government exceed \$1 billion, including \$271,800 in the City of Columbia City which represents about 9% of Columbia City's total property tax revenue; and

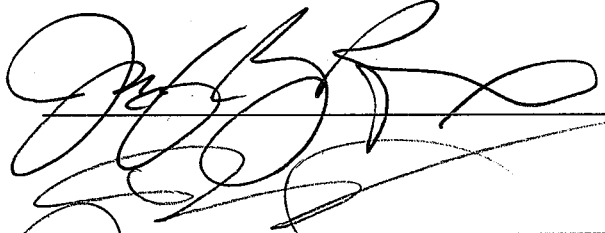
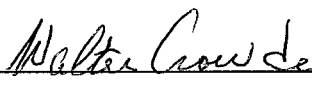
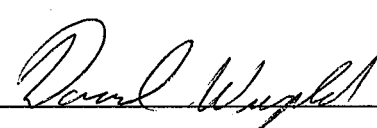
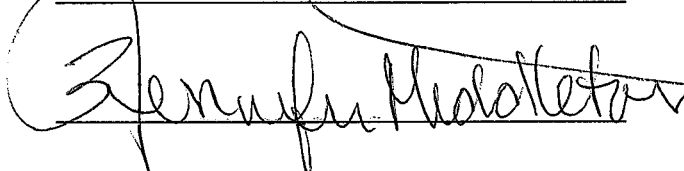
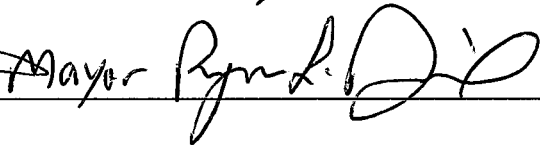
WHEREAS, the City of Columbia City could lose an estimated \$66,000 in tax revenues; and

WHEREAS, the Tax Foundation 2022 State Business Tax Climate Index lists Indiana with a number one ranking in the Midwest and 9<sup>th</sup> in the United States for business tax climate; and

WHEREAS, business and population growth is predicated on strong quality of life amenities that require continued investment by local governments.

NOW, THEREFORE, be it resolved by the Common Council of the City of Columbia City that it opposes all legislation that contemplates eliminating any portion of the business personal property tax without full and permanent replacement guaranteed by the State of Indiana.

Passed on this day, February 22<sup>nd</sup>, 2022, by the Common Council of the City of Columbia City.

  
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