

RESOLUTION NO. 2022-1

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 City of Salem opposes all legislation that contemplates eliminating any portion of the personal property tax without 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 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 health 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 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 \$2,561,340.21 in Washington County and which represents about ¹⁴01% of Washington County's property tax revenue; and

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PJP

WHEREAS, the City of Salem in Washington County would lose an estimated \$1,483,316.72 in tax revenues; and,

WHEREAS, significantly reducing the business personal property tax will have a dramatic impact on the City of Salem's and/or Salem Redevelopment's ability to repay tax increment financing bonds because a significant portion of the revenue backing the bonds comes from personal property; and

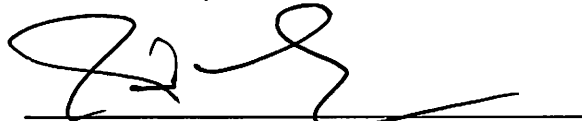
WHEREAS, The Tax Foundation 2022 State Business Tax Climate Index lists Indiana as number one ranking for property tax; and,

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 it resolved by the Common Council of the City of Salem, Indiana, that we oppose all legislation that contemplates eliminating any portion of the business personal property tax without full and permanent replacement guaranteed by the state.

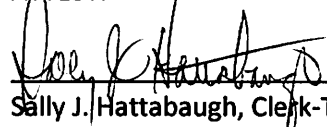
This resolution shall become effective upon the date of passage.

COMMON COUNCIL
CITY OF SALEM, INDIANA



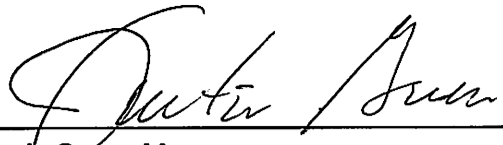
Jody Smedley, President

ATTEST:



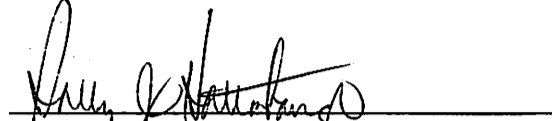
Sally J. Hattabaugh, Clerk-Treasurer

Signed and approved by me as the Mayor of the City of Salem, Indiana this 14th day of FEBRUARY, 2022.



Justin Green, Mayor
City of Salem, Indiana

ATTEST:



Sally J. Hattabaugh, Clerk-Treasurer