

RESOLUTION NO. 2-2022

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF
VINCENNES, INDIANA 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 Vincennes 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 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 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 approximately \$1.54 million in Vincennes and which represents about 13% of Vincennes property tax revenue; and

WHEREAS the long-term impact of any legislation, which changes the taxable assessed value floor of personal property, cannot be known due to how it would change the calculation of taxable personal property assessed value in future years. Such a change equates to an unknowable opportunity cost wherein not yet acquired and put into use business personal property assets would be taxable at a lower base percentage, at the floor, than under the current 30% assessed value floor. Furthermore, no amount of assessed value growth will ever recapture this lost revenue because the base taxable assessed value at the floor will be lower, representing a permanent loss to taxable assessed value; and,

WHEREAS any reduction of personal property taxable assessed value will increase tax bills on real property, particularly in unincorporated areas where property tax rates are not at the cap, effectively shifting the property taxes payable to homeowners and to the real property of commercial taxpayers. Furthermore, the total property tax rates in both Vincennes taxing districts

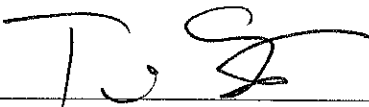
are over \$3,000. Therefore, any property tax rate increase will result in an increase to circuit breaker credits. Subsequently, this will result in a direct loss of revenue to the City of Vincennes; and,

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

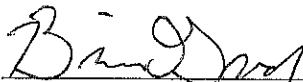
WHEREAS Indiana consistently ranks in the top states with an attractive business tax climate, yet a community's quality of life is an increasingly greater influencer of business relocation and growth decisions:

NOW, THEREFORE, be it resolved by the Vincennes Common Council 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.

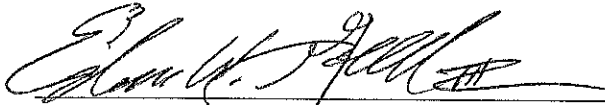
PASSED by the Common Council of the City of Vincennes, Indiana this 14th day of February, 2022, by a vote of 5 to 0 with 0 abstaining.




Timothy M. Salters, President



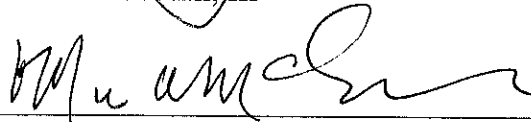
Brian Grove, Vice President



Edward W. Gornall, III



Ryan J. Lough



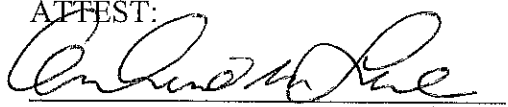
Marc A. McNeece

Absent

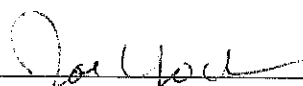
Dan Ravellette

Absent

John W. Stangle

ATTEST:


Catherine MM Lane
City Clerk Treasurer



Joe Yochum, Mayor