

RESOLUTION # 1, 2022
OF COMMON COUNCIL FOR THE
CITY OF WABASH, 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 Common Council of the City of Wabash, Indiana 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 \$246,212,841.00 in Wabash County which represents about 16% of Wabash County's total property tax revenue; and

WHEREAS, the City of Wabash in Wabash County would lose an estimated \$1.5 Million in business personal property tax on top of \$720,000.00 which it currently loses due to the property tax caps resulting in a total loss of property tax revenue to the City of Wabash, Indiana in the amount of \$2.2 Million; and

WHEREAS, significantly reducing the business personal property tax will have a dramatic impact on the City of Wabash'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 HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WABASH, 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.

PASSED BY THE COMMON COUNCIL OF THE CITY OF WABASH, INDIANA THIS 14TH DAY OF FEBRUARY 2022.

By: 
John Burnsworth, President of the Common Council

PRESENTED BY ME TO THE MAYOR OF THE CITY OF WABASH ON THE 14TH DAY OF FEBRUARY 2022 AT THE HOUR OF 6 O'CLOCK P M.


Wendy Frazier, Clerk-Treasurer

THIS ORDINANCE WAS APPROVED AND SIGNED ON THE 14TH DAY OF FEBRUARY 2022 AT THE HOUR OF 6 O'CLOCK P M.


Scott A. Long, Mayor

ATTEST:


Wendy Frazier, Clerk-Treasurer