

RESOLUTION NO. 2022-02-01

WARSAW COMMON COUNCIL

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 Warsaw Common Council 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 Three Hundred Twenty-One Million Dollars (\$321,000,000) in the City of Warsaw and which represents about Twenty Nine Percent (29%) of the City of Warsaw's property tax revenue; and

WHEREAS, the City of Warsaw in Kosciusko County would lose an estimated One Million Six Hundred Thousand Dollars (\$1,600,000) in tax revenues; and,

WHEREAS, significantly reducing the business personal property tax will have a dramatic impact on the Warsaw Redevelopment Commission'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:

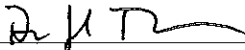
NOW, THEREFORE, be it resolved by the Warsaw Common Council that we oppose all legislation that contemplates eliminating any portion of the business personal property tax without full and permanent replacement guaranteed by the state.

This resolution shall become effective upon the date of passage.

THEREFORE; be it ordained by the Common Council of the City of Warsaw, Indiana, with 7 ayes, and 0 nays, and 0 abstentions, that this be Adopted and Resolved this 7th day of February, 2022.

| | Aye | Nay | Abstain | Absent |
|-------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Cindy Dobbins | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Jack Wilhite | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Jeff R. Grose | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Josh Finch | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Michael Klondaris | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| William G. Frush | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Diane L. Quance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

PRESENTED TO AND APPROVED BY me on this 7th day of February, 2022.



Dr. Joseph Thallemer, Presiding Officer
of the Common Council of the City of Warsaw