

**Goshen Common Council
Resolution 2022-02**

**Opposing Legislation Regarding the Reduction
of Business Personal Property Tax
without Adequate Replacement of Revenue**

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;

WHEREAS, the Goshen Common Council opposes all legislation that contemplates eliminating any portion of the personal property tax without permanent, FULL replacement of tax revenue guaranteed by the state;

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;

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;

WHEREAS, the personal property tax is a relied upon method for funding local government;

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;

WHEREAS, 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;

WHEREAS, Business Personal Property Tax distributions to local units of government exceed \$1 Billion;

WHEREAS, the City of Goshen in Elkhart County would lose an estimated \$2,943,805.00 in tax revenues (17% of our tax base), as explained in further detail in the *Illustrative Impact of Personal Property Elimination, November 10, 2021*, prepared by Baker Tilly and attached hereto;

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

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.

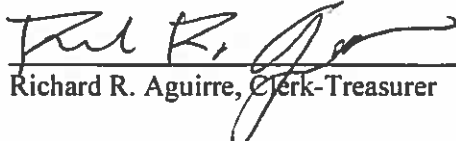
NOW, THEREFORE, BE IT RESOLVED by the Goshen Common Council that it opposes all legislation that contemplates eliminating any portion of the business personal property tax without full and permanent replacement guaranteed by the state.

PASSED by the Goshen Common Council on January 18, 2022.



Presiding Officer

ATTEST:



Richard R. Aguirre, Clerk-Treasurer

PRESENTED to the Mayor of the City of Goshen on January 18, 2022, at the hour of 6:32
p.m.



Richard R. Aguirre, Clerk-Treasurer

APPROVED and ADOPTED on January ____, 2022.



Jeremy P. Stutsman, Mayor