

RESOLUTION NO. 725-2-22

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 Avilla Town 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;

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, the Town of Avilla in Noble County could lose an estimated \$\$338,655.65 in tax revenues; and

WHEREAS, significantly reducing the business personal property tax will have a dramatic impact on the Town of Avilla's ability to repay tax increment financing for sewer bonds for our 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, including the use of tax abatement, which the Town of Avilla utilizes to support business growth, yet a community's quality of life funded by taxes is critical to business relocation and growth decisions:

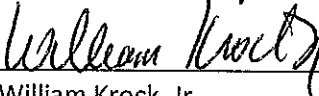
NOW, THEREFORE, be it resolved by the Town Council of Avilla that we oppose all legislation that contemplates eliminating any portion of the business personal property tax **without full and permanent replacement guaranteed by the state.**

This resolution shall become effective upon the date of passage.

Date: 2-16-22

AVILLA TOWN COUNCIL


Philip Puckett, Jr., President


William Krock, Jr.

ATTEST:


Rita Grocock, Clerk-Treasurer


Paul Shepherd