

**RESOLUTION NO. R-02-22**

**A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF ELKHART,  
INDIANA, OPPOSING LEGISLATION REGARDING THE  
BUSINESS PERSONAL PROPERTY TAX**

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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 Elkhart Common Council opposes all legislation that contemplates eliminating any portion of the personal property tax without 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 ONE BILLION DOLLARS (\$1,000,000,000) statewide, which includes more than THIRTY-FIVE MILLION (\$35,000,000) collected for Elkhart County, and more than SEVENTEEN MILLION (\$17,000,000) collected for the City of Elkhart; and

WHEREAS, the City of Elkhart would lose an estimated SEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS (\$7,400,000) in tax revenues if HB 1002 becomes law, representing a significant portion of the City's property tax revenue; and

WHEREAS, significantly reducing the business personal property tax will have a dramatic impact on the City'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 among 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 COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, THAT:

1. The Common Council of the City of Elkhart, Indiana, hereby opposes all legislation that proposes eliminating any portion of the business personal property tax without full and permanent replacement guaranteed by the state.

2. This Resolution shall become effective upon the date of passage.

PASSED AND ADOPTED by the Common Council of the City of Elkhart, Indiana this 7<sup>th</sup> day of February, 2022.

  
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Arvis Dawson  
President of the Common Council

ATTEST:


  
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Debra D. Barrett, City Clerk

PRESENTED to the Mayor by me this 8<sup>th</sup> day of February, 2022 at 10:25

a.m./p.m.

  
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Debra D. Barrett, City Clerk

APPROVED by me this 9<sup>th</sup> day of February, 2022.

  
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Rod Roberson, Mayor

ATTEST:

  
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Debra D. Barrett, City Clerk