

RESOLUTION NO. CC-2022-02

**COMMON COUNCIL
OF THE
CITY OF WHITING, INDIANA**

**A RESOLUTION OPPOSING PROPOSED LEGISLATION REGARDING THE
INDIANA 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 elected officials of the City of Whiting* oppose all legislation that contemplates eliminating any portion of the personal property tax without permanent FULL replacement guaranteed by the state; and

WHEREAS *the elected officials of the City of Whiting* believe that any business with over one hundred (100) employees should be excluded from this legislation; 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, safe and stable 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 \$5,649,566 in the City of Whiting, Lake County and which represents about 58.8% of the City of Whiting's property tax revenue; and

WHEREAS the City of Whiting is in a unique position since its primary taxpayer is the Whiting BP Business Unit which recently completed personal property upgrades to the refinery resulting in \$92,055,790 in revenue to the City over the past 9 years which the City used to fund public improvement and redevelopment; and

WHEREAS significantly reducing the business personal property tax will have a dramatic impact on Whiting's ability to repay tax increment financing bonds because a significant portion of the revenue backing the bonds comes from business personal property tax revenue and will reduce the ability of the City to provide future public improvements; 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 Mayor, Clerk-Treasurer and Common Council of the City of Whiting 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 and recommend excluding any business with over one hundred (100) employees from the legislation.

PASSED AND ADOPTED by the Common Council of the City of Whiting, Indiana, this 15th day of February, 2022, by a vote of 7 ayes and 0 nays.



STEVE SPEBAR, MAYOR

ATTEST:



JOHN T. HAYNES, CLERK-TREASURER

Absent

CHRIS SARVANIDIS, PRESIDENT PRO TEMPORE




SHAWN M. TURPIN, COUNCILMAN AT LARGE



NICK SUAREZ, 1ST DISTRICT COUNCILMAN



REBECA UNATE MICHKO 2ND DISTRICT COUNCILWOMAN



TOM MICHNIEWICZ, 3RD DISTRICT COUNCILMAN