

RESOLUTION NO. 2014 - 09

Erase, Eliminate, Phase-Out or Exempt Certain Businesses from the Business Personal Property Tax

WHEREAS, proposals to erase, eliminate, phase-out or exempt certain businesses from the business personal property tax have been introduced in the General Assembly; and

WHEREAS, the Indiana House and Senate have both proposed legislation that we foresee as first steps to complete elimination of Indiana's business personal property tax; and

WHEREAS, one option currently being debated is to allow county income tax councils (COIT Councils) to eliminate the business personal property tax, which will leave many local entities without a voice and pit counties against one another, eroding the regional approach to economic development that has been championed in Indiana in recent years; and

WHEREAS, another option currently under consideration is to erase the business personal property tax for businesses whose personal property assessed values is below a specific threshold which could impede the growth of small businesses that want to remain below the cap; and

WHEREAS, eliminating business personal property from the assessed valuation will cause a shift to real property tax for any properties below the circuit breakers and could lead to increased personal income taxes; and

WHEREAS, Indiana consistently ranks in the top 10 of 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; and

WHEREAS, business personal property tax collections statewide for 2013 totaled \$1.04 billion including \$17,280,859 in Hendricks County and which represents nearly 9.75% of Hendricks County's property tax revenue; and

WHEREAS, the taxing unit of Hendricks County in Hendricks County would lose an estimated \$2,144,788 in tax revenues;

WHEREAS, none of the proposals being considered by the Governor or Indiana General Assembly contemplate any replacement revenues for those revenues they are eliminating via the full or partial elimination of the business personal property tax; and

WHEREAS, due to the approximate \$800 million in annual losses to local governmental units associated with constitutional property tax caps, not even the smallest amount of revenue loss to cities, towns, counties, schools or other local units can be supported without corresponding replacement revenues;

NOW, THEREFORE, be it resolved by the Hendricks County Board of Commissioners that we oppose any proposal to erase or eliminate all or any portion of the business personal property tax without a corresponding replacement revenue stream implemented by the State of Indiana.

This resolution shall become effective upon the date of passage. January 28, 2014.

Hendricks County Board of Commissioners

Phyllis A. Palmer
Phyllis A. Palmer, President

Bob Gentry
Bob Gentry, Vice President

Matthew D. Whetstone, Member

ATTEST: Cinda Kattau
Cinda Kattau, Auditor

DATE: 1/28/14