

RESOLUTION NO. 2013-22

**RESOLUTION OPPOSING LEGISLATION TO REDUCE OR
ELIMINATE THE BUSINESS PERSONAL PROPERTY TAX**

WHEREAS, Governor Mike Pence has proposed eliminating the Business Personal Property Tax as the top priority of his 2014 legislative agenda ; and

WHEREAS, Business Personal Property Tax collections statewide for 2012 totaled \$1.04 billion, including \$109 million in Lake County which represents 17.5 percent of Lake County's property tax revenue; and

WHEREAS, cities and towns in Lake County would lose an estimated \$32 million and schools in Lake County would lose \$37 million; and

WHEREAS, the City of Hobart has Business Personal Property assessed at about \$89 million and a property tax rate of \$1.1488 per \$100 of assessed value resulting in the potential loss of over \$1 million in revenue to the City of Hobart; and

WHEREAS, there is no systemic surplus in our current state tax system evidenced by the fact that state tax collections are currently falling behind estimates, causing the state to implement a series of spending cuts to levels below what was budgeted; and

WHEREAS, according to an article in the Dec. 10, 2013 HPI Daily Wire from Howey Business Indiana, the idea of reducing or eliminating the Business Personal Property Tax is getting bipartisan rejection at the local level with Republican Elkhart County Commissioner Mike Yoder saying "From my perspective, this looks like a political move that will not create more jobs. I see zero benefit to this and think it is a bad idea" and "I can't find any correlation to our tax structure and new jobs"; and

WHEREAS, an article in the December 4, 2013 issue of Crain's Chicago Business shows that in spite of everything being done by our current and previous governor to make Indiana more 'business friendly' by reducing or eliminating other business taxes, Indiana lost 254 jobs to Illinois in 2012, indicating that reductions in taxes is not an effective way to attract jobs to Indiana; and

WHEREAS, businesses which are currently 'capped out' on their property taxes would see no reduction in their tax payments from the reduction or elimination of the Business Personal Property Tax; and

WHEREAS, the proposed plans to reduce the Business Personal Property Tax make no mention of any corresponding tax increase to offset the losses to counties, cities, towns and schools; and

WHEREAS, the reduction or elimination of the Business Personal Property Tax would inevitably result in an across-the-board hike in real property tax rates, representing yet another transfer of the tax burden from businesses to individuals and disproportionately affecting homeowners in communities like Hobart where the typical residential taxpayer isn't 'capped out'.

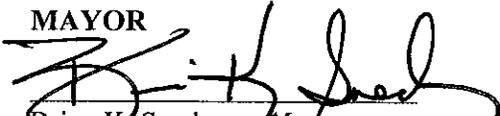
NOW, THEREFORE, LET IT BE RESOLVED AS FOLLOWS:

1. That a policy position is clearly stated by the Common Council of the City of Hobart that the Indiana Legislature should not pass any legislation that would reduce or eliminate the Business Personal Property Tax; and

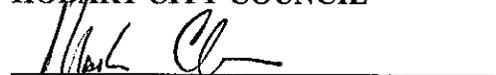
2. That the State legislators from Northwest Indiana should work together to prevent any legislation that would reduce or eliminate the Business Personal Property Tax from being passed.

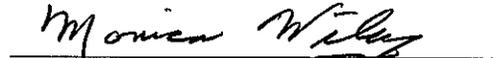
SO RESOLVED THIS 16th DAY OF December, 2013,

MAYOR

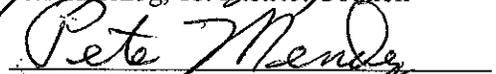

Brian K. Snedecor, Mayor

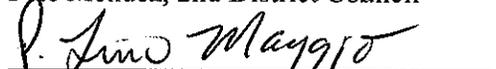
HOBART CITY COUNCIL

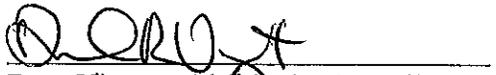

Matthew Claussen, Council at Large


Monica Wiley, Council at Large


Jerry Herzog, 1st District Council

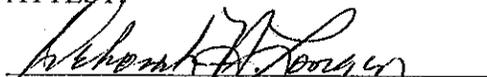

Pete Mendez, 2nd District Council


P. Lino Maggio, 3rd District Council


Dave Winzant, 4th District Council


John Brezik, 5th District Council

ATTEST:


Deborah Longer, Clerk-Treasurer