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Statement From David Botorff, AIC Executive Director

INDIANAPOLIS –The Association of Indiana Counties (AIC) remains concerned with any changes to the business personal property tax. As the Governor referenced in the most recent Tax Foundation Study today during his press conference, Indiana has the ninth most favorable business tax climate in the country. In fact, according to the Tax Foundation, Indiana has the best property tax system for businesses in the nation.

Any changes to the property tax system creates shifts in tax liability and/or a reduction in revenue for local services. Eliminating the floor for new equipment is something that cannot be predicted and has unknown fiscal ramifications. Such a change could impact the approval of new economic development projects. As an example, one of the incentives for local communities to approve commercial renewable energy facilities, such as wind and solar facilities, is an increase in taxable business personal property assessed value. Removing the assessment floor on such equipment removes one of the incentives, a broader tax base resulting in a lower property tax rate. The AIC's position on changes to the business personal property tax is that any reduction in business personal property tax should be paid or credited by the state directly to the business. Such a direct reimbursement program through the state would prevent shifts in property tax liability and prevent any loss of revenue for local units of government.

[The Association of Indiana Counties, Inc.](http://www.indianacounties.org) is a nonprofit organization established in 1957 for the betterment of county government. The various functions of the AIC include lobbying the Indiana General Assembly on behalf of counties, serving as liaison among counties, state and federal agencies as well as providing technical assistance and training to county officials and employees.

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