

RESOLUTION # 02182025-2

A JOINT RESOLUTION BETWEEN THE HENRY COUNTY COMMISSIONERS, THE HENRY COUNTY COUNCIL, and CITY OF NEW CASTLE OPPOSING LEGISLATION THAT WILL HAVE DEVASTATING IMPACTS ON LOCAL UNITS WITHIN THE STATE OF INDIANA

WHEREAS, state leaders and lawmakers have advocated for and introduced multiple pieces of legislation in the 2025 legislative session that would cut residential and business personal property bills for homeowners and businesses and change how these tax liabilities are calculated; and

WHEREAS, homeowners deserve affordable tax bills as well as adequate public services;

WHEREAS, the proposals introduced do not provide funding for adequate public services which would have devastating impacts on the delivery of essential city county school services; and

WHEREAS, the proposals introduced would stifle economic development opportunities in city/town/county impacting future growth; and

WHEREAS, key proposals would have an impact statewide on local governments and schools exceeding \$2,000,000,000.00;

WHEREAS, the ability to adopt a local income tax option could be a helpful tool for units with this authority; however, it is not adequate to replace the magnitude of what is being eliminated, making it a necessity rather than an option; and

WHEREAS, with what amounts to a mandated income tax increase being the only alternative proposed by lawmakers, the homeowners the proposed tax cuts endeavor to assist would be among the same individuals paying the increased income tax, making businesses the only real recipient of the tax cuts; and

WHEREAS, those individuals who do not own their own home would see a tax increase;

WHEREAS, if the proposed measures are adopted across Henry County, units will be forced to make significant cuts to safety, educational; and other essential services; and

WHEREAS, although corporations would receive tax cuts, the relief would be short-lived when Indiana is unable to attract and retain an adequate and thriving workforce; and

WHEREAS, if the eliminations are to take place, school districts across Henry County would be forced to make dramatic cuts to support transportation, bus replacement, school building maintenance, and technology upgrades; and

WHEREAS, impact to Henry County, New Castle and the New Castle schools of these significant real property and business personal property tax cuts, as well as changes to how property taxes are calculated, Henry County cities and towns, county government, libraries and schools would lose an estimated **\$5.8 million** in tax revenues in 2026 alone.

Of the projected \$5.8 million loss, Henry Co. local government will lose \$1.06 million in 2026, Henry County schools \$2.68 million (with New Castle Schools losing an amount projected to be approximately \$950,000.00), Henry County's 16 cities and towns will lose an estimated \$1.31 million, our townships will lose an estimated \$209,000.00, and our public libraries an estimated \$203,500.00 in 2026, with amounts projected to increase by 18.5% in 2027, resulting in a total revenue loss to all Henry County units of **\$6.9 mil.**

WHEREAS, our county, city and school acknowledge businesses first and foremost seek a well-educated workforce, and with Indiana's 43rd ranking among *well-educated states* (National Assessment of Educational Progress, 2023) coupled with its ever-increasing teacher shortage will only be further damaged by all of these projected and significant cuts and caps in revenues present in primarily SB 1 and HB 1402. We oppose any tax policy that impacts local units of government that does not come with a corresponding replacement revenue stream implemented by the State of Indiana and does no harm to our ability to carry out the expectations of Hoosiers now and into the future.

WHEREAS, over the last several years, the County Council (and Local Income Tax Council) increased has implemented a 35% percent increase to a LIT rate from 1.5% to 2.02%, by enacting a .2% jail rate in 2020, a .1% PSAP rate in 2023, a .04% EMS rate in 2024, .01% judicial salaries rate in 2024, and .17% increase to our public safety LIT rate in 2024. New Castle's Common Council voted in favor of the LIT increase in 2024, as a member of the Local Income Tax Council.

NOW THEREFORE BE IT RESOLVED that the Henry Co. Board of Commissioners, the Henry County Council, and the Common Council of the City of New Castle oppose the various tax cuts and tax caps primarily listed in SB 1 and HB 1402 among others.

EFFECTIVE DATE: This Resolution shall become effective immediately upon passage.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE THIS
____ DAY OF _____, 2025.

Greg York, Presiding Officer,
Common Council, City
of New Castle, Indiana

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NAY

ATTEST:

Ashley Huffman, Clerk-Treasurer

APPROVED BY ME THIS ____ DAY OF _____, 2025.

Greg York, Mayor of the City
of New Castle, Indiana