

# conversations

## Tax caps will strap local governments

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**O**n Nov. 2, Hoosiers will vote on making property tax caps a part of our state constitution.

The Star, the governor and most state-level politicians support the caps. I will vote no.

First, the state legislature understood that property tax caps would reduce local government revenues. Some think this will force localities to become more efficient. Instead, we are



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more likely to face deteriorating public services.

To meet the potential catastrophe, localities have been given toxic remedies. The local option income tax has been forced upon our communities by the General Assembly. This tax is levied on households only. The state did not give localities the power to tax local corporations. Therefore, a reduction in property taxes is enjoyed by all property owners, but paid for exclusively by households.

In addition, there are now referendum opportunities for local initiatives. These are expensive options that deny the benefits of representative government in favor of emotional campaigns in opposition to progress.

Second, I believe in the potential of local representative government. A constitutional amendment for property caps puts concrete shoes on a struggling institution already in deep water.

Local governments struggle to support police, fire, parks and sanitation services. Winter weather can devastate local budgets. Local schools are the essential tools for economic development; they attract responsible citizens and send forth well-prepared students. Local libraries serve people of all ages with information, connections

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MY VIEW

to the Internet world, and inexpensive entertainment.

As far back as the property tax reforms of 1973, Indiana degraded local government and shifted power to state government. The legislature has increased its control of our schools. Cities and towns have become prisoners of the state in the tax wars. Libraries have been forced to defend their very existence.

Yes, some local governments have built attractive city halls and some school corporations have modernized their facilities while beset by local opposition. In retrospect, those objections often prove to be ill-informed attempts to prevent our communities from moving into modern times.

Third, homeowners think they are going to realize benefits from the caps, but that is not likely for the vast majority. A study by the Legislative Services Agency showed that only 4 percent of the tax reductions from the existing caps went to homeowners. Farmers got virtually nothing from the caps. Nearly 60 percent of the caps benefitted the owners of small rental housing units, commercial apartments and second homes, with about 36 percent going to commercial and industrial properties.

If you believe in making local decisions locally, then vote against the tax caps.

If you believe that all property ought to be treated alike and taxes should not be shifted to households from businesses, vote no on caps.

If you believe that local government services are the foundation of your community's well-being, defeat the property tax caps proposition.

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