

Key foes won't campaign against Indiana tax caps vote

INDIANAPOLIS — Two prominent groups that have fought against the statewide property tax caps championed by Gov. Mitch Daniels are going to sit out the November referendum on whether to put the limits into the state constitution.

The Indiana Farm Bureau and the Indiana Chamber of Commerce have all but given up efforts to defeat the amendment after failing to stop it from

clearing the General Assembly in January, The Courier-Journal of Louisville, Ky., reported Thursday.

Both opponents and supporters say putting the caps into the constitution would make it more difficult to undo a state law passed in 2008 that generally limits property tax bills to 1 percent of homes' assessed value, with 2 percent caps on farmland and rental property and 3 per-

cent limits on business property.

The two groups oppose the caps because they think it's unfair to treat commercial and residential property differently.

"We gave it our best fight in the General Assembly this year and it fell flat," Bob Kraft, director of state government relations for the Indiana Farm Bureau, told the newspaper. "There comes a time when you fold your cards and count

your money and we've hit that point."

Daniels proposed the caps after tax bills skyrocketed in much of the state in 2007 because of new assessment rules and other factors, sending hordes of homeowners to the Statehouse demanding reform.

The 2008 law raised the state sales tax from 6 percent to 7 percent to help pay for property tax relief, but local governments and

school districts have faced millions of dollars in revenue losses from the caps.

The decision by the Farm Bureau and the Chamber of Commerce leaves only a loose coalition of lesser-funded groups led by the Indiana Urban Schools Association to fight the proposal — and those groups lack the money for commercials or mailings.

— *The Associated Press*

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