



The Greater Bloomington Chamber of Commerce

FOR IMMEDIATE RELEASE:

The Greater Bloomington Chamber of Commerce Opposes Current Local Income Tax Proposal

Bloomington, IN – September 11, 2020 – The Greater Bloomington Chamber of Commerce is urging the Bloomington Common Council to vote against Mayor John Hamilton’s proposal to increase the local income tax (LIT) by 0.25%.

“A lack of public process makes this tax proposal impossible to support,” said Erin Predmore, the Chamber’s President & CEO. “Adding to the community’s tax burden is an important decision and should be guided by a clear community consensus. That work hasn’t happened.”

In an online survey of Chamber members taken this week, 73% of respondents opposed the current proposal and an additional 18% opposed it at this time. Only 9% supported the proposal.

The Chamber’s concerns about the proposed tax increase include:

Lack of public engagement. The mayor proposed this tax increase in mid-July, but there was no subsequent attempt at public engagement until recently. The proposal was not mentioned during the August budget presentations, when it would have been an obvious and relevant point of discussion. Feedback from the community should be incorporated at the start of the process as a way to determine whether a tax is needed and how much is needed, not after a tax increase has been implemented.

Lack of a compelling, sustainable plan. The current proposal is a grab bag of projects, including park trails, a composting program, a new transportation demand management job and more. The projects add to the city’s financial burden while lacking a coherent vision for how the LIT investments will be sustained. Before imposing a tax increase – especially one designed to spur economic development – the city needs to ensure a measurable return on investment and a long-term plan for supporting these investments. It is irresponsible to continue a cycle of taking property off the tax rolls, raising taxes and adding to the city’s financial commitments.

Lack of collaboration. This proposal harms much-needed collaboration between the city and county, and with state legislators. The Monroe County Council has issued a statement urging the city to postpone this proposal, and we agree. Ignoring county officials risks damaging the important city-county relationship, which is already frayed. Further, city officials need to build stronger relationships with state legislators. Speculation about possible actions during the next legislative session is being used to justify pushing through this tax increase. The Chamber urges leaders of the City of Bloomington to strengthen intergovernmental relationships for the benefit of our community.

There’s precedent for a different approach. In 2016, a LIT increase for public safety was passed with broad support for a focused purpose. The current proposal does not reflect that kind of community buy-in.

“Businesses and individuals are stressed from the COVID-19 pandemic and face an uncertain future,” Predmore said. “Without a thoughtful, collaborative process and a sustainable plan, we can not support this tax increase and we urge Bloomington councilmembers to vote against it.”

About the Greater Bloomington Chamber of Commerce:

The Greater Bloomington Chamber of Commerce is a nonprofit membership organization serving as our community’s leading advocate for business. We offer unique leadership opportunities, meaningful volunteer activities, and exclusive business-building programs focused on critical economic, civic, and social priorities. Chamber members support each other and community initiatives, sharing information and resources to help create economic opportunity and community well-being. At the Greater Bloomington Chamber of Commerce, we believe that better business leads to a better community.

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