

To: House Taxation Committee

From: Rhonda Hill, City Clerk, City of Gas

Subject: Testimony in Opposition of SB 248

Date: March 9, 2023

The City of Gas, in Allen County, is strongly opposed to Bill SB 248, as losing one of our funding sources will have a detrimental impact on our city, residents and business owners.

Here are some points that we would like to highlight in our opposition of this bill:

- An overall loss to the general fund budget will be harmful to city governments, which use these funds for essential services. Property taxes will have to be increased to replace these funds, and increasing these taxes will place more of a burden on the property owners. What will be gained by removing tax on food items, if property taxes have to be increased?! Sales tax spreads out the cost of city services to all residents of the city, whereas, property tax only burdens the property owners.
- Local sales tax levies are voter approved. This bill undermines voters of a community who voted on these levies, and their purposes.
- Many projects are funded by special sales tax levies approved by voters, and these projects will be negatively impacted.
- This bill does not take into consideration economic development initiatives that will be impacted, such as: TIF Districts, STAR Bond Projects, and CID Sales Tax Projects.

We are asking the committee to Vote NO on SB 248 or amend it so local sales tax levies on food, food ingredients, and groceries are made whole again, as is current law.

Sincerely,
Rhonda Hill
City Clerk
City of Gas