

## **Commentary: We all have a decision to make - Herald-Times (Bloomington, IN) - August 28, 2020**

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This guest commentary was submitted by Bloomington Mayor John Hamilton.

Bloomington faces a decision.

Will we simply react to the daunting challenges before us — a pandemic, an economic calamity, persistent racial injustice and a climate emergency — or will we lean in to our recovery to transform our community in the direction of our shared goals and values?

As mayor, I've worked with city council to move us forward over the past four years, with major public safety investments, hundreds of new affordable housing units, thousands of new jobs, the new Switchyard Park, a new neighborhood to rise from the current hospital site, rooftops of solar panels, miles of new trails, a stronger safety net and more diverse art and culture.

Then COVID knocked us and our economy on our heels. And it means we'll face public revenue shortfalls for several years. We're using our rainy day surplus to weather the storms this year and the next. But for the longer term, we have a decision to make.

If we want seriously to see a more equitable economic recovery, to address racial injustice and to embrace our responsibilities for climate action, we must have resources to do so. With the right resources, we can help under-employed people get back to work. We can achieve a lower carbon future with more energy efficient buildings and better transit, bike and pedestrian options. We can help local artists and farmers thrive. We can strengthen our safety net and create more affordable housing.

Without such resources, we will struggle just to maintain basic services like public safety, infrastructure, and sanitation and maintenance in coming years.

Here are some facts:

Our **local income tax** is the only practical way to generate new local revenue.

Monroe County presently has a very low income tax rate — lowest among our seven contiguous counties and third-lowest of 21 counties in our region.

A modest 0.25% increase would still mean very low relative taxes: second-lowest of seven and fifth of 21.

Every member of all the county fiscal bodies gets to vote on a proposed tax, with proportional voting power.

The state legislature may well reduce or eliminate our ability to accomplish new revenues by next spring (they already changed the voting requirements earlier this year).

We should raise taxes only to achieve important purposes, and only when we have capacity to do so. In my judgment, an increase is essential if we are to walk the walk of our values, to support economic, racial and climate justice. And our tax rate would remain among the lowest in the region, while the return on the investment would be significant, especially for those who need it most.

A tax increase of 0.25% would raise about \$4 million a year for the city to invest in our future (and a similar amount for other local jurisdictions). This increase would cost a household with \$25,000 in taxable income about \$63 annually. Or \$200 for a household earning \$80,000.

For another perspective, consider three coworkers here in Bloomington, each earning \$45,000 in annual taxable income. One who commutes from Nashville pays about \$1,140 in local income taxes to support their Brown County governments. One living in Martinsville pays their government about \$1,224 annually. But the one who lives and works in Bloomington pays only about \$605 to support local government. After the proposed 0.25% increase, they would still pay only \$718 a year — substantially less than their commuting colleagues.

Taxes are investments in our shared future. This prudent, proposed investment is needed to meet the daunting challenges that we face in common, and to sustain the basic services on which we all depend.

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