

TAX ABATEMENT BENEFITS FOR A COMMUNITY

Tax abatement — Exemption or reduction of local taxes of a project for a specific period of time.

While tax abatements are short-lived, they can have a significant future impact. Here are some of the ways tax abatements can have a positive impact in Whitley County's local economy:



Strengthen Other Businesses

Established businesses benefit when a new business opens. The increase in patrons allows other businesses to grow by investing in capital improvements and hiring.



Increase Tax Revenue

When an abatement is offered, the whole city or town benefits from increased tax revenues. Employees of a new business spend their money at local stores (increasing sales tax receipts), and may build new homes (increasing property tax receipts.) These things occur without the need to increase tax rates.



Tax Receipts Grow After Abatement

Once a business is well-established within Whitley County, the improvements and facilities that are added can be taxed. The tax rate and revenue from developed property is higher than on undeveloped property. This creates a long-term source of revenue for Whitley County's local government to invest in the community on different projects.



Reduce Unemployment

A new business or expansion of an established business creates jobs. People employed by the business use their income to buy good and services, cars, and other personal necessities from other local businesses.