



Why is there a need for Tax Increment Financing?

Tax Increment Financing has proven to be an enduring and widely used economic development tool nationwide. TIFs are more frequently used now more than ever because other development tools like Industrial Revenue Bonds and Urban Development and Infrastructure Grants are no longer readily available to local governments.

Billions of dollars in federal and state aid to local governments have been eliminated. At the same time, unfunded federal and state mandates have increased the financial burden on most municipalities. Factor in state imposed property tax caps, and the funding problems facing local governments make it obvious that local governments are left to do more with less.

TIF offers local governments a way to revitalize their communities by expanding their tax base, offsetting, in part, the federal and state funds that are no longer available to them without imposing increased property taxes on the whole community.

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