

# 2009 BOONE COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

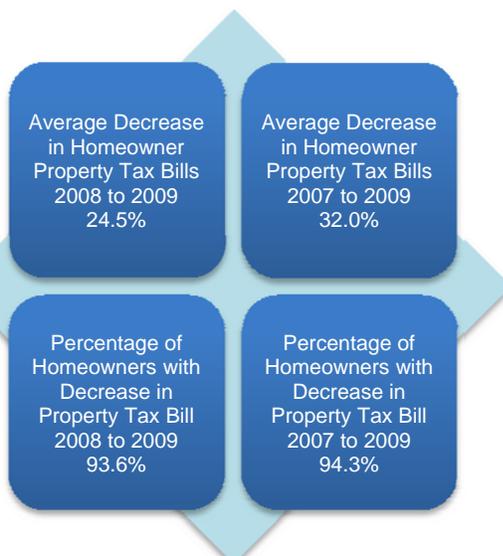


Legislative Services Agency

November 2009 (Updated)

In March 2008, the Indiana General Assembly enacted the most substantial property tax reforms in 35 years. Many of these reforms took effect for the first time in 2009. Property taxes for the school general fund, county welfare funds, and several smaller funds were eliminated and their costs taken over by the state. State property tax replacement credits and most state homestead credits were eliminated, with the money used to fund added state school and welfare costs. Homeowners received a new 35% deduction from their homestead assessments. Property tax caps limited tax bills to a fixed percentage of property assessments. These caps were 1.5% for homesteads, 2.5% for other housing and farmland, and 3.5% for all other property. Taxpayers with tax bills higher than these caps received added tax credits. Local governments did not collect the property tax amounts above the caps.

### Details of Changes to Homeowner Property Tax Bills Boone County



Change in Tax Bill	Change from 2008 to 2009		Change from 2007 to 2009	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or More	540	3.9%	526	3.8%
10% to 19%	107	0.8%	90	0.6%
1% to 9%	219	1.6%	159	1.1%
0%	20	0.1%	20	0.1%
-1% to -9%	1,891	13.6%	390	2.8%
-10% to -19%	3,699	26.5%	1,204	8.6%
-20% to -29%	2,704	19.4%	3,374	24.2%
-30% to -39%	4,153	29.8%	4,757	34.1%
-40% to -49%	280	2.0%	2,688	19.3%
-50% to -59%	81	0.6%	397	2.8%
-60% to -69%	76	0.5%	94	0.7%
-70% to -79%	49	0.4%	87	0.6%
-80% to -89%	47	0.3%	65	0.5%
-90% to -99%	25	0.2%	37	0.3%
-100%	60	0.4%	63	0.5%
<b>Total</b>	<b>13,951</b>	<b>100.0%</b>	<b>13,951</b>	<b>100.0%</b>
Higher Tax Bill	866	6.2%	775	5.6%
No Change	20	0.1%	20	0.1%
Lower Tax Bill	13,065	93.6%	13,156	94.3%
<b>Average Change in Tax Bill</b>	<b>-24.5%</b>		<b>-32.0%</b>	

Note: Percentages may not total due to rounding.

*Policy Changes with Offsetting Effects on Tax Bills.* The interaction of multiple policy changes, plus local changes in levies and assessments, determine how tax bills change in each county. Eliminating the school general fund and county welfare levies reduced levies by 30.6% statewide. The new 35% supplemental homestead deduction reduced tax bills for homeowners, but also reduced taxable assessed value in each jurisdiction. Taxable assessed value fell 14.3% in Indiana as a whole. As a result of the lower assessed value, tax rates were not reduced by the full amount of the levy reductions. The elimination of the property tax replacement and homestead credits partially offset the drop in tax rates. The average property tax replacement credit statewide was 20.1% in 2008. Total state homestead credits averaged 39.5% statewide in 2008, and this rate fell to 7.2% in 2009. The circuit breaker tax caps reduced tax bills in places with high tax rates. Counties that adopted new local option income taxes delivered additional property tax relief. (Statewide averages are now based on 85 counties reporting.)

Factors Affecting Homeowner Tax Bills	Boone County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-17.4%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-30.7%	-30.6%
State PTRC Percentage, 2008	16.0%	20.1%
Total State Homestead Credit, 2008	17.0%	39.5%
Total State Homestead Credit, 2009	6.1%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	No	

Note: State Average based on data for 85 counties available November 2009

*Effects on County Tax Bills.* Statewide, average homeowner tax bills fell by about 1% from 2008 to 2009. Average homeowner tax bills in Boone County decreased by 24.5%. Boone County taxpayers saw a low state property tax replacement credit rate and a low homestead credit rate in 2008. The elimination of PTRC and the reduction of the homestead credit rate had less effect on Boone County taxpayers. Boone County did not adopt a local option income tax for property tax relief, and few elderly Boone County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Boone County, as they were in most Indiana counties.

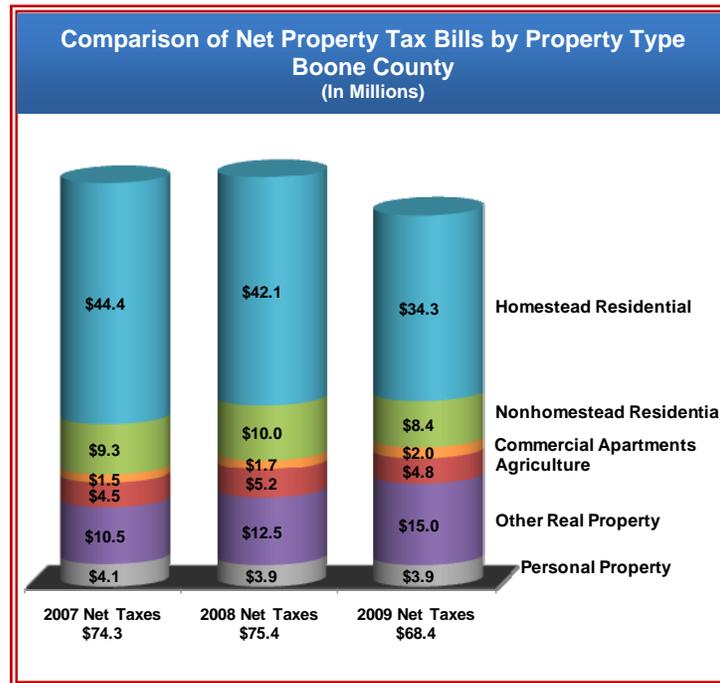
## 2009 Property Tax Changes:

The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

State Property Tax Replacement Credits were eliminated, and State Homestead Credits were much reduced – Credits didn't apply to debt service levies, so they were lower in units with more debt service; such units lost less from the elimination of the credits, and so received relatively more net benefit from the new tax relief programs.

Counties could adopt new LOIT for property tax relief in 2008 and 2009 - Homeowners in 41 counties that adopted a LOIT saw larger property tax cuts or smaller tax increases; other taxpayers benefitted if counties distributed tax credits to nonhomestead property.

Circuit Breaker Tax Caps were enacted at 1.5% of gross assessed value for homes, 2.5% for rental housing and farmland, and 3.5% for other property- Rental housing and commercial/industrial property received the most tax cap credits; cities and towns and jurisdictions that overlap them lost the most revenue to the caps.



In Boone County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 16.0% decline in average property tax bills. Average tax bills on commercial apartments increased 17.6%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 7.7% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 20.0%. Personal property, which is largely business equipment, saw no significant change in average tax bills.

**Circuit Breaker Tax Caps.** Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, and 3.5% for other property. In 2010 and after, the cap rates will be 1%, 2%, and 3%, respectively.

**Local Revenue Losses.** Local governments do not collect the amount of these tax cap credits, and the revenue is not replaced. More taxpayers are likely to be eligible for circuit breaker tax cap credits in jurisdictions with higher tax rates. Tax districts in cities and towns tend to have higher tax rates because the municipal tax rate is added to tax bills. Cities and towns and jurisdictions that share taxpayers with cities and towns tend to lose the most revenue to tax cap credits.

**Tax Bill Reductions.** Generally, as a result of tax relief from homestead deductions most homeowners did not have tax bills high enough to qualify for tax cap credits. Rental housing has a lower tax cap than other businesses, and much of it is located in cities and towns, so many rental housing owners receive credits. Most farmland is outside cities and towns in jurisdictions with low tax rates. Few farmland owners receive credits. Commercial and industrial property tends to receive credits where tax rates are relatively high.

### Total Circuit Breaker Tax Cap Credit Amount for Boone County \$3,655

Percentage share of circuit breaker tax cap credits by cap category...



### Boone County Levy Comparison by Taxing Unit

Unit	2007 Levy	2008 Levy	2009 Levy	2007-2008 Levy Change	2008-2009 Levy Change	2008 - 2009 Comparable Levy Change
<b>County Total</b>	<b>\$85,818,368</b>	<b>\$93,479,518</b>	<b>\$64,899,215</b>	<b>8.9%</b>	<b>-30.6%</b>	<b>4.5%</b>
State Unit	93,351	103,344	0	10.7%	-100.0%	
Boone County	9,128,985	8,810,017	7,433,881	-3.5%	-15.6%	2.6%
Center Township	432,395	694,118	623,601	60.5%	-10.2%	-10.2%
Clinton Township	12,957	13,382	13,942	3.3%	4.2%	4.2%
Eagle Township	20,269	20,651	20,480	1.9%	-0.8%	-0.8%
Harrison Township	9,014	9,298	9,651	3.2%	3.8%	3.8%
Jackson Township	33,180	33,819	35,508	1.9%	5.0%	5.0%
Jefferson Township	16,267	16,550	17,397	1.7%	5.1%	5.1%
Marion Township	12,832	13,219	13,762	3.0%	4.1%	4.1%
Perry Township	43,317	45,368	44,812	4.7%	-1.2%	-1.2%
Sugar Creek Township	55,607	57,693	58,865	3.8%	2.0%	2.0%
Union Township	67,064	384,768	154,959	473.7%	-59.7%	-59.7%
Washington Township	11,945	11,841	12,726	-0.9%	7.5%	7.5%
Worth Township	117,370	395,804	464,185	237.2%	17.3%	17.3%
Lebanon Civil City	3,346,018	3,243,870	3,451,794	-3.1%	6.4%	13.5%
Advance Civil Town	82,437	85,372	88,176	3.6%	3.3%	3.3%
Jamestown Civil Town	90,433	99,586	81,420	10.1%	-18.2%	-18.2%
Thorntown Civil Town	143,084	149,671	153,449	4.6%	2.5%	2.5%
Ulen Civil Town	32,383	32,981	33,824	1.8%	2.6%	2.6%
Whitestown Civil Town	293,339	358,802	1,147,225	22.3%	219.7%	219.7%
Zionsville Civil Town	7,588,735	7,323,983	7,712,052	-3.5%	5.3%	5.3%
Western Boone County School Corporation	7,015,206	7,631,443	4,336,659	8.8%	-43.2%	3.6%
Zionsville Community School Corporation	36,062,871	41,790,297	22,811,276	15.9%	-45.4%	-4.7%
Lebanon Community School Corporation	17,148,797	18,163,165	12,476,740	5.9%	-31.3%	16.8%
Sheridan Community Schools	1,260,087	1,414,766	914,340	12.3%	-35.4%	28.5%
Lebanon Public Library	1,053,234	952,040	1,171,686	-9.6%	23.1%	23.1%
Thorntown Public Library	356,326	349,781	305,679	-1.8%	-12.6%	-12.6%
Hussey - Mayfield Memorial Library	1,243,999	1,203,354	1,238,162	-3.3%	2.9%	2.9%
Boone County Solid Waste Management District	0	0	0	0.0%	0.0%	0.0%
City Of Lebanon Redevelopment	0	0	0	0.0%	0.0%	0.0%
Zionsville Redevelopment Commission	46,866	70,535	72,964	50.5%	3.4%	3.4%
Boone County Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%

Notes: 2008 – 2009 Comparable Levy Change reflects the percentage change in the remaining levies after levy reductions for state assumption of pre-1977 police and fire pension fund payments and elimination of these funds: state fair, state forestry, school general, preschool special education, family and children, children’s psychiatric residential treatment, medical assistance to wards, children with special health care needs, and hospital care for the indigent.

## Boone County Assessed Values, Levies, Tax Rates, and Credit Rates by Taxing District

Taxing District	Net Assessed Value (In Millions \$)			Gross Levy (\$)			Tax Rate (%)		State PTRC	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	Rate-Real	2008	2009	2008	2009
Center Township	202.2	165.5	-18.1%	4,290,160	3,025,559	-29.5%	2.1218	1.8277	19.61%	21.35%	6.12%	0.00%	0.00%
Lebanon City	720.4	647.2	-10.2%	16,822,954	13,717,429	-18.5%	2.3352	2.1194	19.47%	23.98%	6.12%	0.00%	0.00%
Ulen Town	12.3	8.8	-28.8%	264,378	172,564	-34.7%	2.1493	1.9691	20.39%	23.70%	6.12%	0.00%	0.00%
Clinton Township	69.3	62.1	-10.5%	1,069,944	681,286	-36.3%	1.5439	1.0978	26.02%	26.04%	6.12%	0.00%	0.00%
Eagle Township	830.8	601.0	-27.7%	17,507,508	9,877,603	-43.6%	2.1072	1.6435	13.90%	15.77%	6.12%	0.00%	0.00%
Zionsville Town	1392.4	1075.3	-22.8%	33,823,057	22,567,237	-33.3%	2.4291	2.0986	11.80%	14.16%	6.12%	0.00%	0.00%
Harrison Township	59.2	51.7	-12.5%	911,029	566,038	-37.9%	1.5402	1.0939	26.04%	25.99%	6.12%	0.00%	0.00%
Jackson Township	102.8	91.1	-11.4%	1,597,675	1,011,424	-36.7%	1.5536	1.1102	25.91%	26.06%	6.12%	0.00%	0.00%
Advance Town	10.7	8.2	-23.5%	251,200	179,306	-28.6%	2.3540	2.1978	21.04%	28.67%	6.12%	0.00%	0.00%
Jamestown Town	28.7	21.3	-25.6%	541,354	313,243	-42.1%	1.8895	1.4697	23.21%	27.06%	6.12%	0.00%	0.00%
Jefferson Township	108.9	93.8	-13.8%	1,797,638	1,132,531	-37.0%	1.6511	1.2069	24.93%	26.17%	6.12%	0.00%	0.00%
Marion Township	110.4	101.2	-8.3%	1,683,920	1,139,710	-32.3%	1.5248	1.1260	28.42%	27.68%	6.12%	0.00%	0.00%
Perry Township	124.7	85.9	-31.2%	2,228,054	1,247,935	-44.0%	1.7863	1.4533	22.13%	21.45%	6.12%	0.00%	0.00%
Sugar Creek Township	65.0	59.3	-8.8%	1,114,155	756,642	-32.1%	1.7133	1.2756	24.35%	26.21%	6.12%	0.00%	0.00%
Thorntown Town	44.7	35.5	-20.7%	892,602	584,521	-34.5%	1.9949	1.6477	23.10%	28.74%	6.12%	0.00%	0.00%
Union Township	268.7	224.3	-16.5%	5,681,964	3,445,359	-39.4%	2.1145	1.5359	13.94%	15.94%	6.12%	0.00%	0.00%
Washington Township	101.4	86.5	-14.8%	1,671,272	1,040,044	-37.8%	1.6475	1.2030	24.97%	26.18%	6.12%	0.00%	0.00%
Worth Township	71.2	57.4	-19.5%	1,467,339	1,045,325	-28.8%	2.0603	1.8223	19.06%	19.06%	6.12%	0.00%	0.00%
Whitestown Town	59.3	57.8	-2.4%	1,511,031	1,404,844	-7.0%	2.5494	2.4296	15.96%	18.00%	6.12%	0.00%	0.00%
Whitestown - Perry	10.7	10.0	-6.5%	268,370	238,078	-11.3%	2.5153	2.3857	16.15%	18.09%	6.12%	0.00%	0.00%
Whitestown - Eagle	0.0	53.3		0	1,239,510		0.0000	2.3251	0.00%	0.00%	6.12%	0.00%	0.00%
Whitestown - Perry #2	0.0	32.8		0	689,679		0.0000	2.1030	0.00%	0.00%	6.12%	0.00%	0.00%
<b>County Totals/Averages</b>	<b>4,393.9</b>	<b>3,630.0</b>	<b>-17.4%</b>	<b>95,395,603</b>	<b>66,075,868</b>	<b>-30.7%</b>	<b>2.1709</b>	<b>1.8229</b>	<b>16.00%</b>	<b>17.05%</b>	<b>6.12%</b>	<b>0.00%</b>	<b>0.00%</b>

Notes: A *taxing district* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Net Assessed Value* is the total taxable assessed value of all property types, after deductions. It declined in 2009 because of the introduction of the new 35% supplemental deduction for homesteads.

The *Gross Levy* is the amount of property tax to be collected, before credits. It declined in 2009 because of the elimination of the levies for school general funds, county welfare funds, and several smaller funds.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value. Rates fell because the drop in the levies due to levy elimination was greater than the reduction in assessed value due to the new deduction.

*State PTRC Rate - Real* is the state property tax replacement credit for real property in 2008. This credit was eliminated in 2009.

The *State Homestead, Total* is the sum of the regular state homestead credit rate, which was eliminated in 2009, and the HEA1001-2008 special rate, which was reduced in 2009.

The *Total Local Income Tax Credits - Homesteads* is the sum of the COIT and CEDIT homestead credit rates and the LOIT credit rates for homesteads, residential property, and all property. These are credits funded by local income taxes, including the COIT, the CEDIT, and the CAGIT for property tax relief.

## Boone County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				Total
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	
Boone County	7,433,881	0	0	0	355	355
Center Township	623,601	0	0	0	0	0
Clinton Township	13,942	0	0	0	0	0
Eagle Township	20,480	0	0	0	0	0
Harrison Township	9,651	0	0	0	0	0
Jackson Township	35,508	0	0	0	0	0
Jefferson Township	17,397	0	0	0	0	0
Marion Township	13,762	0	0	0	0	0
Perry Township	44,812	0	0	0	6	6
Sugar Creek Township	58,865	0	0	0	0	0
Union Township	154,959	0	0	0	0	0
Washington Township	12,726	0	0	0	0	0
Worth Township	464,185	0	0	0	163	163
Lebanon Civil City	3,451,794	0	0	0	7	7
Advance Civil Town	88,176	0	0	0	0	0
Jamestown Civil Town	81,420	0	0	0	0	0
Thorntown Civil Town	153,449	0	0	0	0	0
Ulen Civil Town	33,824	0	0	0	0	0
Whitestown Civil Town	1,147,225	0	0	0	1,005	1,005
Zionsville Civil Town	7,712,052	0	0	0	74	74
Western Boone County School Corporation	4,336,659	0	0	0	0	0
Zionsville Community School Corporation	22,811,276	0	0	0	252	252
Lebanon Community School Corporation	12,476,740	0	0	0	1,776	1,776
Sheridan Community Schools	914,340	0	0	0	0	0
Lebanon Public Library	1,171,686	0	0	0	2	2
Thorntown Public Library	305,679	0	0	0	0	0
Hussey - Mayfield Memorial Library	1,238,162	0	0	0	14	14
Boone County Solid Waste Management District	0	0	0	0	0	0
City of Lebanon Redevelopment	0	0	0	0	0	0
Zionsville Redevelopment Commission	72,964	0	0	0	1	1
Boone County Redevelopment Commission	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>64,899,215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,655</b>	<b>3,655</b>

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. It is included to allow comparison to the circuit breaker revenue losses.

**Circuit Breaker Credits:**

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1.5% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, long-term care facilities, and farmland, in the 2.5% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3.5% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

Numbers may not total due to rounding.