

2012 Brown County Property Tax Report with Comparison to 2011



Legislative Services Agency

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This report describes property tax changes in Brown County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Brown County the average tax bill for all taxpayers decreased 10.4%. This large tax bill reduction was mainly the result of the 12.8% decrease in the tax levy of all local government units. Brown County certified net assessed value fell by 5.5%, which may have been a legacy of the recession. The large levy decrease caused tax rates to fall in all Brown County tax districts. Brown County's tax rates are so low that few taxpayers were eligible for tax cap credits.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	-10.4%	\$11,540,069	\$1,192,221,635	0.0%
Change		-12.8%	-5.5%	0.0%
2011	32.5%	\$13,232,766	\$1,261,703,348	0.1%

Homestead Property Taxes

Homestead property taxes decreased 15.5% on average in Brown County in 2012. Tax rates in all Brown County tax districts decreased. The county average tax rate fell by 7.7%. Brown County's net homestead AV fell in 2012, which combined with lower tax rates to cause the big drop in homestead property tax bills. Brown County's tax rates were so low that no homesteads were eligible for tax cap credits in 2012.

Net Tax Bill Changes - All Property Types

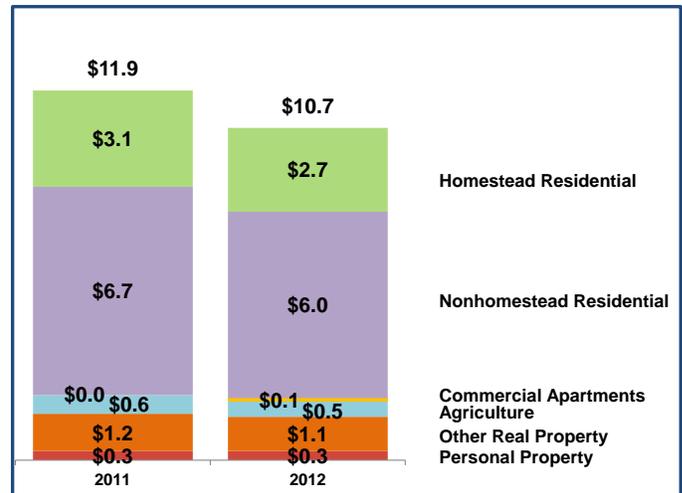
Most of Brown County's 2012 net property taxes were paid by owners of second homes and small rental housing (nonhomestead residential) and by homeowners. Net tax bills for all taxpayers decreased 10.4% in Brown County in 2012. Net taxes were lower on homesteads, nonhomestead residential, agriculture, and business real property (other real). Net taxes were higher on commercial apartments and personal property.

Comparable Homestead Property Tax Changes in Brown County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	219	4.7%
No Change	33	0.7%
Lower Tax Bill	4,360	94.5%
Average Change in Tax Bill	-15.5%	
Detailed Change in Tax Bill		
20% or More	87	1.9%
10% to 19%	25	0.5%
1% to 9%	107	2.3%
0%	33	0.7%
-1% to -9%	466	10.1%
-10% to -19%	2,681	58.1%
-20% or More	1,213	26.3%
Total	4,612	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all Brown County tax districts. The average tax rate fell by 7.7%, because levies fell by more than certified net assessed value.

Levies in Brown County decreased by 12.8%. The Brown County School Corporation had significant decreases in its debt service and bus replacement funds, and the library district saw a decrease in its debt service fund. The largest levy increases were in the Brown County School Corporation's referendum fund and the county general fund.

Brown County's total net assessed value decreased 1.6% in 2012. Homestead and other residential net assessments fell. Agricultural net assessments increased 7.5% due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments fell 2.0%. Declines in homestead and other residential net assessments may be lingering effects of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$815,233,097	\$802,985,800	-1.5%	\$414,822,086	\$405,525,675	-2.2%
Other Residential	662,842,100	640,948,900	-3.3%	656,701,081	639,451,310	-2.6%
Ag Business/Land	53,832,400	58,321,600	8.3%	52,833,660	56,812,352	7.5%
Business Real/Personal	167,602,015	175,758,804	4.9%	131,196,887	133,950,314	2.1%
Total	\$1,699,509,612	\$1,678,015,104	-1.3%	\$1,255,553,714	\$1,235,739,651	-1.6%

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Brown County were negligible, \$3,987, which rounded to 0% of the levy. This was less than the state average percentage of the levy of 9.2%, and less than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Brown County's tax rates were among the lowest in the state. All of Brown County's tax cap credits were in the elderly category.

Tax cap losses in all local government units in Brown County were tiny as a percentage of levies. In dollar terms, the Brown County school corporation and the county lost the most.

Tax Cap Credits by Category

The tax credit for the elderly limits taxes paid by older homeowners to a 2% increase per year. Brown County tax rates were too low for any homeowners, nonhomestead residential, farmland owners, or business owners to be eligible for tax cap credits. Tax cap credits decreased in Brown County in 2012 by \$4,680, or 54%. The percentage of the levy lost to credits dropped from 0.1% to near zero. Tax rate decreases in 2012 meant that fewer older homeowners qualified for the elderly tax credit.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$0	\$0	\$0	0.0%
2%	0	0	0	0.0%
3%	0	0	0	0.0%
Elderly	8,667	3,987	-4,680	-54.0%
Total	\$8,667	\$3,987	-\$4,680	-54.0%
% of Levy	0.1%	0.0%		0.0%

Brown County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
County Total	21,155,418	11,955,145	10,406,768	13,232,766	11,540,069	-43.5%	-13.0%	27.2%	-12.8%
State Unit	32,881	0	0	0	0	-100.0%			
Brown County	6,111,733	3,619,191	3,756,529	3,581,976	3,675,619	-40.8%	3.8%	-4.6%	2.6%
Hamblen Township	41,949	41,042	39,632	39,178	126,968	-2.2%	-3.4%	-1.1%	224.1%
Jackson Township	47,009	46,236	44,740	44,128	42,946	-1.6%	-3.2%	-1.4%	-2.7%
Van Buren Township	79,078	69,573	66,999	65,763	63,329	-12.0%	-3.7%	-1.8%	-3.7%
Washington Township	81,967	75,771	72,912	72,418	70,116	-7.6%	-3.8%	-0.7%	-3.2%
Nashville Civil Town	365,058	362,659	346,257	331,821	404,435	-0.7%	-4.5%	-4.2%	21.9%
Brown County School Corpotation	13,716,805	7,104,159	5,443,504	8,401,682	6,476,148	-48.2%	-23.4%	54.3%	-22.9%
Brown County Public Library	460,333	423,226	425,084	527,392	388,664	-8.1%	0.4%	24.1%	-26.3%
Hamblen Township Fire Protection Dist	84,341	79,065	77,513	34,667	158,315	-6.3%	-2.0%	-55.3%	356.7%
Brown County Solid Waste Management Dist	134,264	134,223	133,598	133,741	133,529	0.0%	-0.5%	0.1%	-0.2%

Brown County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
07001	Hamblen Township	0.9356	--	--	--	--	42.6882%	--	0.5362
07002	Jackson Township	0.9132	--	--	--	--	42.6882%	--	0.5234
07003	Van Buren Township	0.9481	--	--	--	--	42.6882%	--	0.5434
07004	Washington Township	0.9198	--	--	--	--	42.6882%	--	0.5272
07005	Nashville Town	1.2094	--	--	--	--	42.6882%	--	0.6931
07006	Hamblen Fire District	0.9973	--	--	--	--	42.6882%	--	0.5716

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 *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Brown County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	0	0	0	3,987		3,987	11,540,069	0.0%
<i>TIF Total</i>	0	0	0	0		0	0	
<i>County Total</i>	0	0	0	3,987		3,987	11,540,069	0.0%
Brown County	0	0	0	1,287		1,287	3,675,619	0.0%
Hamblen Township	0	0	0	4		4	126,968	0.0%
Jackson Township	0	0	0	24		24	42,946	0.1%
Van Buren Township	0	0	0	13		13	63,329	0.0%
Washington Township	0	0	0	40		40	70,116	0.1%
Nashville Civil Town	0	0	0	97		97	404,435	0.0%
Brown County School Corporation	0	0	0	2,268		2,268	6,476,148	0.0%
Brown County Public Library	0	0	0	136		136	388,664	0.0%
Hamblen Township Fire Protection Dist	0	0	0	70		70	158,315	0.0%
Brown County Solid Waste Management Dist	0	0	0	47		47	133,529	0.0%
Brown County Fire Protection District	0	0	0	0		0	0	

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.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% 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, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% 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. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.