

# 2009 CLAY COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

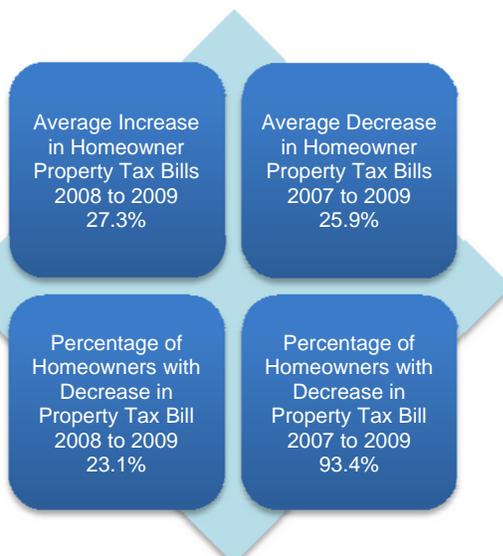


Legislative Services Agency

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 Clay 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	3,516	50.1%	154	2.2%
10% to 19%	874	12.5%	70	1.0%
1% to 9%	905	12.9%	147	2.1%
0%	99	1.4%	90	1.3%
-1% to -9%	464	6.6%	435	6.2%
-10% to -19%	282	4.0%	1,030	14.7%
-20% to -29%	203	2.9%	1,583	22.6%
-30% to -39%	126	1.8%	1,364	19.4%
-40% to -49%	63	0.9%	997	14.2%
-50% to -59%	60	0.9%	430	6.1%
-60% to -69%	51	0.7%	184	2.6%
-70% to -79%	51	0.7%	118	1.7%
-80% to -89%	39	0.6%	89	1.3%
-90% to -99%	35	0.5%	67	1.0%
-100%	250	3.6%	260	3.7%
<b>Total</b>	<b>7,018</b>	<b>100.0%</b>	<b>7,018</b>	<b>100.0%</b>
Higher Tax Bill	5,295	75.4%	371	5.3%
No Change	99	1.4%	90	1.3%
Lower Tax Bill	1,624	23.1%	6,557	93.4%
Average Change in Tax Bill	27.3%		-25.9%	

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	Clay County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-16.1%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-34.1%	-30.6%
State PTRC Percentage, 2008	25.1%	20.1%
Total State Homestead Credit, 2008	58.9%	39.5%
Total State Homestead Credit, 2009	8.5%	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 Clay County increased by 27.3%. Clay County taxpayers saw a very high state homestead credit rate in 2008, which dropped to a rate closer to the state average in 2009. This loss of tax relief contributed to the increase in homeowner tax bills. Clay County did not adopt a local option income tax for property tax relief, and few elderly Clay County homeowners were eligible for the circuit breaker tax cap

credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Clay County, as they were in most Indiana counties.

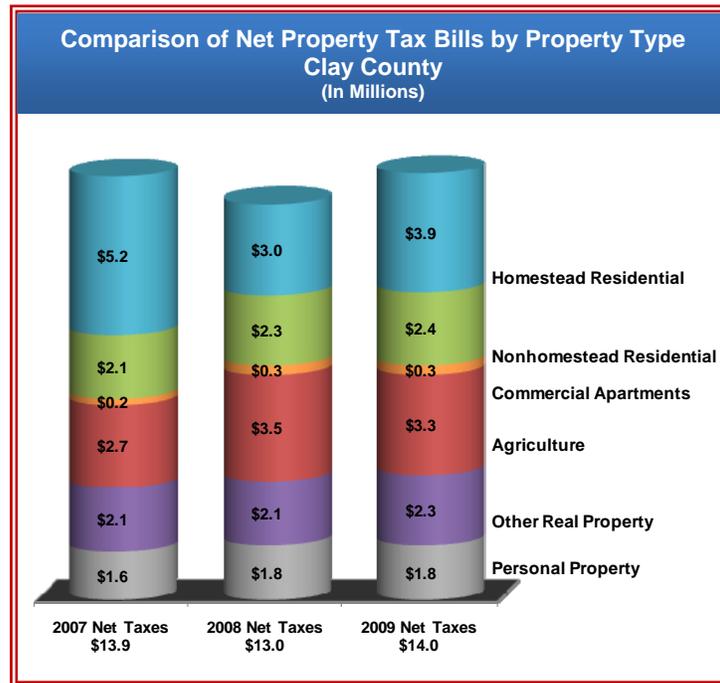
## 2009 Property Tax Changes:

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 Clay County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 5.7% increase in average property tax bills. Average tax bills on commercial apartments decreased 8.7%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 5.6% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 9.0%. Personal property, which is largely business equipment, saw a 3.8% decrease 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 Clay County \$152,822

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

1.5 %  
Homestead  
qualifying property  
\$0 0.0%

2.5%  
Other qualified  
residential property  
\$132,206 86.5%

3.5%  
All other real and  
personal property  
\$0 0.0%

Elderly  
\$20,616 13.5%

### Clay 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>\$20,117,574</b>	<b>\$21,419,681</b>	<b>\$14,310,246</b>	<b>6.5%</b>	<b>-33.2%</b>	<b>-7.8%</b>
State Unit	21,824	21,990	0	0.8%	-100.0%	
Clay County	3,159,931	3,202,192	3,051,087	1.3%	-4.7%	4.0%
Brazil Township	96,509	99,283	103,962	2.9%	4.7%	4.7%
Cass Township	2,493	2,801	3,079	12.4%	9.9%	9.9%
Dick Johnson Township	29,751	31,006	33,186	4.2%	7.0%	7.0%
Harrison Township	40,945	40,197	42,110	-1.8%	4.8%	4.8%
Jackson Township	18,145	23,231	24,506	28.0%	5.5%	5.5%
Lewis Township	19,440	23,834	23,977	22.6%	0.6%	0.6%
Perry Township	19,431	20,077	21,272	3.3%	6.0%	6.0%
Posey Township	45,726	66,451	71,748	45.3%	8.0%	8.0%
Sugar Ridge Township	14,949	17,342	18,511	16.0%	6.7%	6.7%
Van Buren Township	72,201	75,547	79,059	4.6%	4.6%	4.6%
Washington Township	8,295	9,092	9,574	9.6%	5.3%	5.3%
Brazil Civil City	1,563,122	1,700,531	1,684,579	8.8%	-0.9%	5.8%
Carbon Civil Town	10,319	10,890	9,672	5.5%	-11.2%	-11.2%
Center Point Civil Town	11,082	11,549	13,025	4.2%	12.8%	12.8%
Clay City Civil Town	126,066	135,141	140,287	7.2%	3.8%	3.8%
Knightsville Civil Town	31,542	33,910	34,089	7.5%	0.5%	0.5%
Staunton Civil Town	19,430	21,216	22,609	9.2%	6.6%	6.6%
Harmony Civil Town	50,368	54,604	54,319	8.4%	-0.5%	-0.5%
Clay Community School Corporation	13,459,432	14,290,472	7,974,506	6.2%	-44.2%	-13.5%
M.S.D. Shakamak School Corporation	965,699	1,149,709	525,597	19.1%	-54.3%	-28.0%
Brazil Public Library	303,929	347,683	352,411	14.4%	1.4%	1.4%
Clay-Owen-Vigo Solid Waste Mgt. District	0	0	0	0.0%	0.0%	0.0%
Poland Fire Territory (Jackson Township)	14,141	17,099	17,081	20.9%	-0.1%	-0.1%
Clay County Redevelopment Commission	12,804	13,834	0	8.0%	-100.0%	-100.0%

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.

## Clay 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 Rate-Real	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
Brazil Township	37.4	31.1	-16.9%	842,768	551,160	-34.6%	2.2564	1.7750	25.14%	58.26%	8.50%	0.00%	0.00%
Brazil City - Brazil Township	171.4	142.9	-16.6%	5,347,113	4,011,302	-25.0%	3.1198	2.8062	22.69%	60.71%	8.50%	0.00%	0.00%
Cass Township	14.6	13.1	-10.5%	316,402	215,456	-31.9%	2.1620	1.6448	25.05%	56.51%	8.50%	0.00%	0.00%
Dick Johnson Township	42.4	35.0	-17.4%	889,617	555,110	-37.6%	2.0987	1.5857	26.42%	59.34%	8.50%	0.00%	0.00%
Harrison Township	78.7	64.3	-18.4%	1,631,543	996,157	-38.9%	2.0720	1.5500	26.22%	58.28%	8.50%	0.00%	0.00%
Clay City Town	16.6	14.5	-12.6%	476,188	361,168	-24.2%	2.8637	2.4843	24.58%	63.89%	8.50%	0.00%	0.00%
Jackson Township	93.7	74.4	-20.6%	1,921,263	1,133,192	-41.0%	2.0494	1.5225	26.36%	58.26%	8.50%	0.00%	0.00%
Brazil City - Jackson Township	20.9	12.9	-38.3%	643,517	355,415	-44.8%	3.0801	2.7578	22.82%	60.79%	8.50%	0.00%	0.00%
Lewis Township	61.4	54.2	-11.7%	1,394,053	761,895	-45.3%	2.2687	1.4045	24.62%	51.63%	8.50%	0.00%	0.00%
Perry Township	56.5	51.8	-8.5%	1,165,309	792,908	-32.0%	2.0607	1.5320	26.36%	58.48%	8.50%	0.00%	0.00%
Posey Township	120.4	100.4	-16.6%	2,503,194	1,565,500	-37.5%	2.0790	1.5592	26.19%	58.30%	8.50%	0.00%	0.00%
Brazil City - Posey Township	0.7	0.7	13.7%	20,174	20,598	2.1%	3.0980	2.7810	22.74%	60.70%	8.50%	0.00%	0.00%
Staunton Town	8.5	6.4	-24.6%	194,331	119,502	-38.5%	2.2953	1.8716	25.71%	60.46%	8.50%	0.00%	0.00%
Sugar Ridge Township	42.4	38.2	-10.0%	875,701	587,092	-33.0%	2.0629	1.5359	26.30%	58.32%	8.50%	0.00%	0.00%
Center Point Town	7.0	5.5	-21.5%	154,916	96,337	-37.8%	2.2111	1.7515	25.98%	59.97%	8.50%	0.00%	0.00%
Van Buren Township	82.3	72.9	-11.3%	1,733,779	1,159,422	-33.1%	2.1078	1.5897	26.19%	58.84%	8.50%	0.00%	0.00%
Carbon Town	4.6	2.8	-39.4%	105,859	52,357	-50.5%	2.2899	1.8695	25.66%	60.26%	8.50%	0.00%	0.00%
Knightsville Town	13.4	10.5	-21.3%	309,081	194,634	-37.0%	2.3068	1.8469	25.59%	60.31%	8.50%	0.00%	0.00%
Harmony Town	12.5	10.8	-13.6%	311,937	219,161	-29.7%	2.4905	2.0254	23.67%	57.34%	8.50%	0.00%	0.00%
Washington Township	40.1	34.2	-14.8%	822,026	519,380	-36.8%	2.0477	1.5189	26.43%	58.41%	8.50%	0.00%	0.00%
<b>County Totals/Averages</b>	<b>925.7</b>	<b>776.8</b>	<b>-16.1%</b>	<b>21,658,771</b>	<b>14,267,746</b>	<b>-34.1%</b>	<b>2.3378</b>	<b>1.8357</b>	<b>25.06%</b>	<b>58.91%</b>	<b>8.50%</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.

## Clay 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	
Clay County	3,051,087	0	18,453	0	3,912	22,365
Brazil Township	103,962	0	2,318	0	205	2,523
Cass Township	3,079	0	0	0	0	0
Dick Johnson Township	33,186	0	0	0	31	31
Harrison Township	42,110	0	0	0	5	5
Jackson Township	24,506	0	8	0	42	50
Lewis Township	23,977	0	0	0	0	0
Perry Township	21,272	0	0	0	5	5
Posey Township	71,748	0	0	0	145	145
Sugar Ridge Township	18,511	0	0	0	8	8
Van Buren Township	79,059	0	0	0	95	95
Washington Township	9,574	0	0	0	1	1
Brazil Civil City	1,684,579	0	50,722	0	3,962	54,684
Carbon Civil Town	9,672	0	0	0	0	0
Center Point Civil Town	13,025	0	0	0	9	9
Clay City Civil Town	140,287	0	0	0	68	68
Knightsville Civil Town	34,089	0	0	0	13	13
Staunton Civil Town	22,609	0	0	0	111	111
Harmony Civil Town	54,319	0	0	0	165	165
Clay Community School Corporation	7,974,506	0	51,850	0	10,990	62,840
M.S.D. Shakamak School Corporation	525,597	0	0	0	0	0
Brazil Public Library	352,411	0	8,855	0	851	9,706
Clay-Owen-Vigo Solid Waste Management District	0	0	0	0	0	0
Poland Fire Territory (Jackson Township)	17,081	0	0	0	0	0
Clay County Redevelopment Commission	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>14,310,246</b>	<b>0</b>	<b>132,206</b>	<b>0</b>	<b>20,616</b>	<b>152,822</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.