2010 Property Tax Report
Clay County
with comparisons between 2007 and 2010

Legislative Services Agency **July 2010**

This report describes property tax changes in Clay County between 2009 and 2010, with comparison to changes between 2007 and 2010. The report also shows the overall changes to property tax levies and property assessments since the recent property tax reforms have been implemented. Explanatory information is provided to highlight changes that are unique to Clay County and those that have occurred throughout the state. Statewide averages are based on data from all counties except Lake and LaPorte.

The average homeowner saw a 41.6% tax bill decrease from 2009 to 2010.

Homestead taxes in 2010 were still 56.7% lower than they were in 2007, before the property tax reforms.

97.5% of homeowners saw lower tax bills in 2010 than in 2007.

77.3% of homeowners saw tax decreases of between 30% and 49% from 2009 to 2010.

The largest percentage of homeowners have seen between a 50% and 69% decrease in their tax bills from 2007 to 2010.

Comparable Homestead Property Tax Changes in Clay County

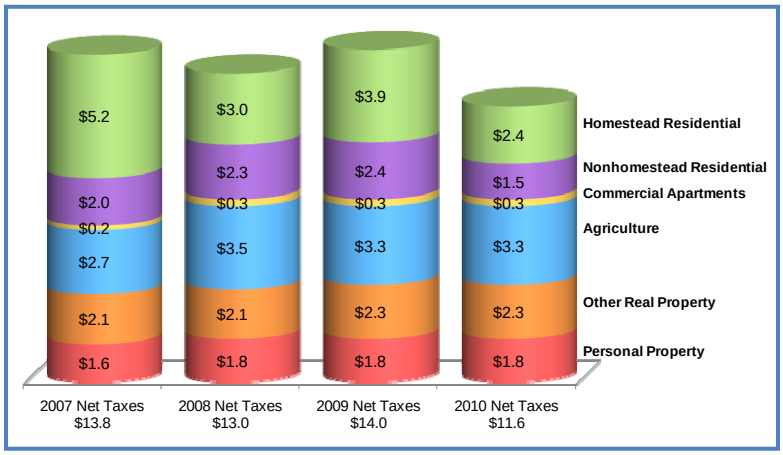
	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	83	1.2%	83	1.2%
No Change	325	4.8%	84	1.2%
Lower Tax Bill	6,382	94.0%	6,623	97.5%
Average Change in Tax Bill	**-41.6%**		**-56.7%**	
Detailed Change in Tax Bill				
20% or More	28	0.4%	54	0.8%
10% to 19%	11	0.2%	11	0.2%
1% to 9%	44	0.6%	18	0.3%
0%	325	4.8%	84	1.2%
-1% to -9%	83	1.2%	38	0.6%
-10% to -19%	169	2.5%	58	0.9%
-20% to -29%	438	6.5%	117	1.7%
-30% to -39%	998	14.7%	283	4.2%
-40% to -49%	4,250	62.6%	772	11.4%
-50% to -59%	314	4.6%	1,747	25.7%
-60% to -69%	43	0.6%	2,164	31.9%
-70% to -79%	21	0.3%	839	12.4%
-80% to -89%	15	0.2%	207	3.0%
-90% to -99%	12	0.2%	121	1.8%
-100%	39	0.6%	277	4.1%
Total	**6,790**	**100.0%**	**6,790**	**100.0%**

Note: Percentages may not total due to rounding.

Clay County Overview

The much larger-than-average decline in homeowner tax bills was due to the adoption of a 0.75% local option income tax for residential property tax relief. This resulted in a new 46% tax credit for owners of residential property. Levies increased 0.7% in Clay County in 2010, compared to a state average increase of 2.4%. Small increases in the county and Brazil City general fund levies were offset by decreases in several Clay Community School Corporation fund levies. The large local residential credit, and the low tax rates and home values in Clay County, meant that few homeowners were eligible for tax cap credits.

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



Net tax bills for all taxpayers decreased 18.6% in Clay County from 2009 to 2010. This was larger than the statewide reduction of 1.4%. In 2010 apartment owners saw a 2.7% increase in tax bills. This increase was due mainly to the levy increases in the county. The new property tax relief from income tax had a large effect on nonhomestead residential property (mostly small rental residences), which saw a 39.6% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 1.2% and 0.1% decrease, respectively, in tax bills in 2010. This was mainly because of lower assessed value. Commercial and industrial property did not benefit from the tightened tax caps because Clay County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural

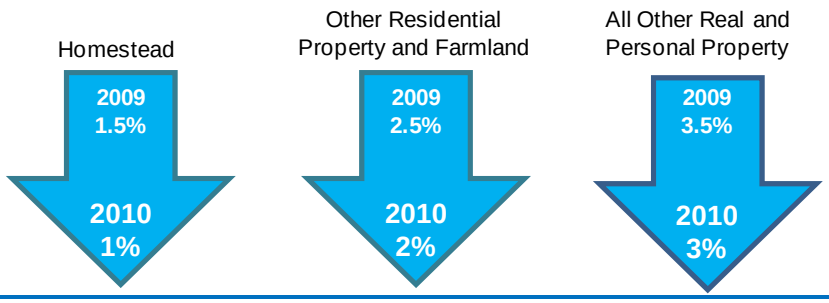
business property saw a 1.3% decrease in tax payments in 2010 due to the tax rate reductions in most of the rural areas of the county, helping to offset the 4% increase in the base rate of farmland, from $1,200 to $1,250 per acre.

2010 Property Tax Policy Changes

Property Tax Caps. Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

State Homestead Credits. State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.

Property Tax Cap Changes, 2009 - 2010



Tax Cap Credits

Tax cap credits in Clay County in 2010 amounted to less than 1% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was mainly due to Clay County adopting a local option income tax for residential property tax relief. No commercial or industrial properties in the 3% tax cap category qualified for credits because the highest Clay County tax rate was under $3. Neither Clay County net tax rates nor home values were high enough for many homesteads to qualify for credits in the 1% category. Clay Community Schools lost the most from the tax caps in 2010 at $904.

2010 Circuit Breaker Credits by Cap Category
Clay County Total $2,452

1%	2%	3%	Elderly
$367	$1,695	$0	$391
15.0%	69.1%	0.0%	16.0%

The Effects of Recession

In Clay County the recession has had an effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 5.4% in December 2007 to 12.4% in July 2009. Job losses and income declines contributed to a 0.7% decrease in local income tax revenue, after adjusting for rate changes.

Clay County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	721,066,160	718,727,210	-0.3%
Other Residential	99,028,000	98,369,100	-0.7%
Ag Business/Land	216,668,100	222,841,500	2.8%
Business Real/Personal	257,927,720	255,340,030	-1.0%
Total	**$1,294,689,980**	**$1,295,277,840**	**0.0%**

In addition, the recession reduced new construction, so less new property was added to assessment roles. The recession also reduced some property values, which affected assessed values through annual trending. Lower assessed values may result in higher tax rates for local taxpayers. In those instances where taxpayers' bills are limited by the caps, the higher rates may result in higher circuit breaker credits, causing increased revenue losses for local governments.

In Clay County, the gross assessed value of business real and personal property fell 1% in 2010, and total gross assessed value in Clay County remained unchanged. This was lower than the state average increase of 0.6%.

The tables on the following pages illustrate 2007 – 2010 levy comparisons, 2010 tax rates and credit rates, and 2010 circuit breaker losses by taxing unit.

Clay County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change 2007-2008	% Change 2008-2009	% Change 2009-2010
County Total	*20,117,574*	*21,419,681*	*14,310,246*	*14,416,800*	*6.5%*	*-33.2%*	*0.7%*
State Unit	21,824	21,990	0	0	0.8%	-100.0%	
Clay County	3,159,931	3,202,192	3,051,087	3,084,480	1.3%	-4.7%	1.1%
Brazil Township	96,509	99,283	103,962	103,794	2.9%	4.7%	-0.2%
Cass Township	2,493	2,801	3,079	3,252	12.4%	9.9%	5.6%
Dick Johnson Township	29,751	31,006	33,186	33,740	4.2%	7.0%	1.7%
Harrison Township	40,945	40,197	42,110	41,678	-1.8%	4.8%	-1.0%
Jackson Township	18,145	23,231	24,506	24,742	28.0%	5.5%	1.0%
Lewis Township	19,440	23,834	23,977	23,896	22.6%	0.6%	-0.3%
Perry Township	19,431	20,077	21,272	21,060	3.3%	6.0%	-1.0%
Posey Township	45,726	66,451	71,748	72,130	45.3%	8.0%	0.5%
Sugar Ridge Township	14,949	17,342	18,511	18,585	16.0%	6.7%	0.4%
Van Buren Township	72,201	75,547	79,059	79,513	4.6%	4.6%	0.6%
Washington Township	8,295	9,092	9,574	9,709	9.6%	5.3%	1.4%
Brazil Civil City	1,563,122	1,700,531	1,684,579	1,759,034	8.8%	-0.9%	4.4%
Carbon Civil Town	10,319	10,890	9,672	10,702	5.5%	-11.2%	10.6%
Center Point Civil Town	11,082	11,549	13,025	13,839	4.2%	12.8%	6.2%
Clay City Civil Town	126,066	135,141	140,287	142,663	7.2%	3.8%	1.7%
Knightsville Civil Town	31,542	33,910	34,089	34,790	7.5%	0.5%	2.1%
Staunton Civil Town	19,430	21,216	22,609	22,782	9.2%	6.6%	0.8%
Harmony Civil Town	50,368	54,604	54,319	49,445	8.4%	-0.5%	-9.0%
Clay Community School Corp	13,459,432	14,290,472	7,974,506	7,866,932	6.2%	-44.2%	-1.3%
M.S.D. Shakamak School Corp	965,699	1,149,709	525,597	620,765	19.1%	-54.3%	18.1%
Brazil Public Library	303,929	347,683	352,411	361,377	14.4%	1.4%	2.5%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0			
Poland Fire Terr (Jackson Township)	14,141	17,099	17,081	17,892	20.9%	-0.1%	4.7%
Clay County Redevelopment Comm	12,804	13,834	0	0	8.0%	-100.0%	

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

Dist #	Taxing District	Tax Rate	Credit Rates: LOIT PTRC	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	Net Tax Rate, Homesteads
11001	Brazil Township	1.7726	--	4.8112%	--	--	--	--	46.5539%	0.8621
11002	Brazil City - Brazil Township	2.8746	--	4.8112%	--	--	--	--	46.5539%	1.3981
11003	Cass Township	1.6347	--	4.8112%	--	--	--	--	46.5539%	0.7950
11004	Dick Johnson Township	1.5778	--	4.8112%	--	--	--	--	46.5539%	0.7674
11005	Harrison Township	1.5382	--	4.8112%	--	--	--	--	46.5539%	0.7481
11006	Clay City Town	2.5015	--	4.8112%	--	--	--	--	46.5539%	1.2166
11007	Jackson Township	1.5126	--	4.8112%	--	--	--	--	46.5539%	0.7357
11008	Brazil City - Jackson Township	2.8249	--	4.8112%	--	--	--	--	46.5539%	1.3739
11009	Lewis Township	1.5992	--	4.8112%	--	--	--	--	46.5539%	0.7778
11010	Perry Township	1.5202	--	4.8112%	--	--	--	--	46.5539%	0.7393
11011	Posey Township	1.5492	--	4.8112%	--	--	--	--	46.5539%	0.7535
11012	Brazil City - Posey Township	2.8475	--	4.8112%	--	--	--	--	46.5539%	1.3849
11013	Staunton Town	1.8711	--	4.8112%	--	--	--	--	46.5539%	0.9100
11014	Sugar Ridge Township	1.5268	--	4.8112%	--	--	--	--	46.5539%	0.7426
11015	Center Point Town	1.7720	--	4.8112%	--	--	--	--	46.5539%	0.8618
11016	Van Buren Township	1.5784	--	4.8112%	--	--	--	--	46.5539%	0.7677
11017	Carbon Town	1.9196	--	4.8112%	--	--	--	--	46.5539%	0.9336
11018	Knightsville Town	1.8567	--	4.8112%	--	--	--	--	46.5539%	0.9030
11019	Harmony Town	1.9713	--	4.8112%	--	--	--	--	46.5539%	0.9587
11020	Washington Township	1.5093	--	4.8112%	--	--	--	--	46.5539%	0.7340

Notes: A T*axing 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 *State Homestead Credit* is the HEA1001-2008 special rate, which will be eliminated after 2010.
The *LOIT, COIT, and CEDIT* credits are funded by local income taxes.
The N*et Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Clay County 2010 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
Non-TIF Total	*367*	*1,695*	*0*	*391*	*2,452*	*14,416,800*	*0.0%*
TIF Total	*0*	*0*	*0*	*0*	*0*	*139,684*	*0.0%*
County Total	*367*	*1,695*	*0*	*391*	*2,452*	*14,556,484*	*0.0%*
Clay County	51	236	0	88	374	3,084,480	0.0%
Brazil Township	7	17	0	1	25	103,794	0.0%
Cass Township	0	0	0	0	0	3,252	0.0%
Dick Johnson Township	0	0	0	0	0	33,740	0.0%
Harrison Township	0	1	0	0	1	41,678	0.0%
Jackson Township	0	1	0	0	1	24,742	0.0%
Lewis Township	0	0	0	5	5	23,896	0.0%
Perry Township	0	0	0	0	0	21,060	0.0%
Posey Township	0	0	0	0	0	72,130	0.0%
Sugar Ridge Township	0	0	0	0	0	18,585	0.0%
Van Buren Township	0	0	0	6	6	79,513	0.0%
Washington Township	0	0	0	0	0	9,709	0.0%
Brazil Civil City	146	662	0	32	840	1,759,034	0.0%
Carbon Civil Town	0	0	0	0	0	10,702	0.0%
Center Point Civil Town	0	0	0	0	0	13,839	0.0%
Clay City Civil Town	0	19	0	0	19	142,663	0.0%
Knightsville Civil Town	0	0	0	1	1	34,790	0.0%
Staunton Civil Town	0	0	0	3	3	22,782	0.0%
Harmony Civil Town	0	0	0	2	2	49,445	0.0%
Clay Community School Corp	138	647	0	119	904	7,866,932	0.0%
M.S.D. Shakamak School Corp	0	0	0	129	129	620,765	0.0%
Brazil Public Library	25	113	0	5	143	361,377	0.0%
Clay-Owen-Vigo Solid Waste Mgt Dist	0	0	0	0	0	0	
Poland Fire Terr (Jackson Township)	0	0	0	1	1	17,892	0.0%
Clay County Redevelopment Comm	0	0	0	0	0	0	
TIF - No Central Econ Dev TIF Orig	0	0	0	0	0	9,626	0.0%
TIF - No Central Econ Dev Dist Exp	0	0	0	0	0	34,122	0.0%
TIF - I 70 SR 59 Jackson	0	0	0	0	0	31,603	0.0%
TIF - I 70 SR 59 Posey	0	0	0	0	0	6,899	0.0%
TIF - IVC Industrial Van Buren	0	0	0	0	0	57,434	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.