

# 2009 DAVIESS COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

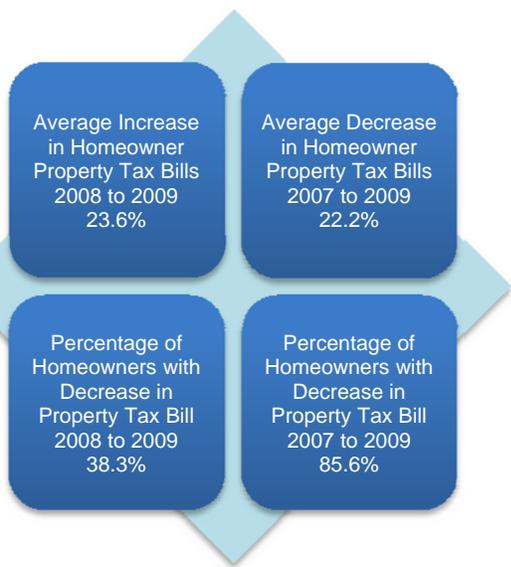


Legislative Services Agency

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 Daviess 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	2,219	31.1%	686	9.6%
10% to 19%	827	11.6%	113	1.6%
1% to 9%	1,253	17.5%	132	1.8%
0%	107	1.5%	101	1.4%
-1% to -9%	888	12.4%	300	4.2%
-10% to -19%	625	8.7%	872	12.2%
-20% to -29%	309	4.3%	1,062	14.9%
-30% to -39%	198	2.8%	1,406	19.7%
-40% to -49%	108	1.5%	1,095	15.3%
-50% to -59%	85	1.2%	500	7.0%
-60% to -69%	61	0.9%	238	3.3%
-70% to -79%	63	0.9%	146	2.0%
-80% to -89%	48	0.7%	103	1.4%
-90% to -99%	30	0.4%	59	0.8%
-100%	323	4.5%	331	4.6%
<b>Total</b>	<b>7,144</b>	<b>100.0%</b>	<b>7,144</b>	<b>100.0%</b>
Higher Tax Bill	4,299	60.2%	931	13.0%
No Change	107	1.5%	101	1.4%
Lower Tax Bill	2,738	38.3%	6,112	85.6%
Average Change in Tax Bill	23.6%		-22.2%	

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	Daviess County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-10.4%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-24.8%	-30.6%
State PTRC Percentage, 2008	20.7%	20.1%
Total State Homestead Credit, 2008	45.5%	39.5%
Total State Homestead Credit, 2009	7.5%	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 Daviess County increased by 23.6%. Daviess County local taxing units increased their levies by more than the state average in 2009, which lessened the size of the tax rate reductions from the levy eliminations. Daviess County taxpayers saw a high state homestead credit rate in 2008, which dropped to a rate near the state average in 2009. This loss of tax relief contributed to the increase in homeowner tax

## 2009 Property Tax Changes:

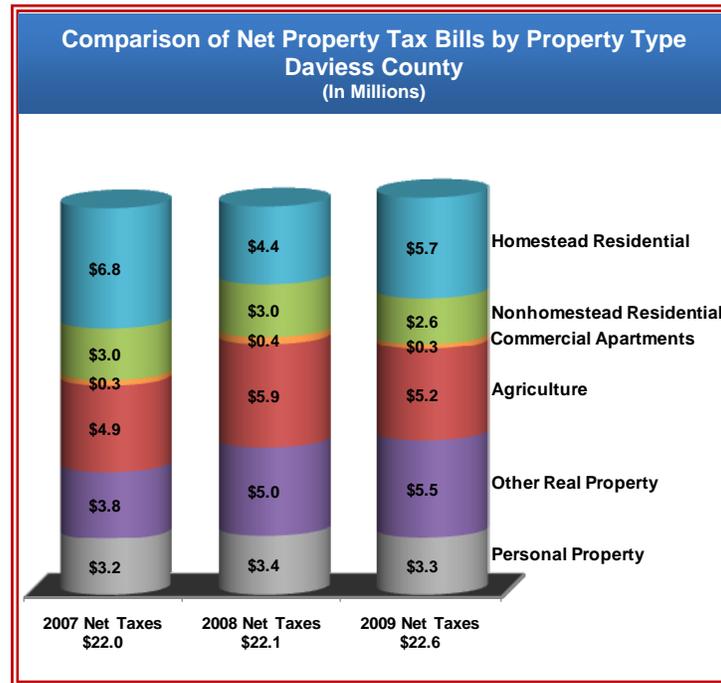
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

bills. Daviess County did not adopt a local option income tax for property tax relief, and few Daviess County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Daviess County, as they were in most Indiana counties.



In Daviess County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 13.3% decline in average property tax bills. Average tax bills on commercial apartments decreased 25.0%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw an 11.9% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 10.0%. Personal property, which is largely business equipment, saw a 2.9% 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 Daviess County \$1,092,880

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

1.5 %  
Homestead  
qualifying property  
\$25,008 2.3%

2.5%  
Other qualified  
residential property  
\$882,298 80.7%

3.5%  
All other real and  
personal property  
\$169,321 15.5%

Elderly  
\$16,254 1.5%

### Daviess 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>\$29,547,322</b>	<b>\$32,385,071</b>	<b>\$24,067,079</b>	<b>9.6%</b>	<b>-25.7%</b>	<b>2.3%</b>
State Unit	25,602	27,885	0	8.9%	-100.0%	
Daviess County	9,145,403	9,725,088	8,657,987	6.3%	-11.0%	2.8%
Barr Township	49,144	50,872	51,547	3.5%	1.3%	1.3%
Bogard Township	21,860	22,543	23,304	3.1%	3.4%	3.4%
Elmore Township	25,846	26,056	27,120	0.8%	4.1%	4.1%
Harrison Township	3,457	3,592	3,705	3.9%	3.1%	3.1%
Madison Township	48,695	50,652	52,955	4.0%	4.5%	4.5%
Reeve Township	11,989	12,732	13,389	6.2%	5.2%	5.2%
Steele Township	23,713	31,921	33,278	34.6%	4.3%	4.3%
Van Buren Township	21,230	21,819	22,514	2.8%	3.2%	3.2%
Veale Township	23,267	24,305	24,821	4.5%	2.1%	2.1%
Washington Township	215,237	221,180	222,458	2.8%	0.6%	0.6%
Washington Civil City	3,457,291	3,559,318	3,441,148	3.0%	-3.3%	1.7%
Alfordsville Civil Town	4,268	5,312	5,460	24.5%	2.8%	2.8%
Cannelburg Civil Town	9,090	9,472	8,693	4.2%	-8.2%	-8.2%
Elnora Civil Town	71,613	76,734	77,372	7.2%	0.8%	0.8%
Montgomery Civil Town	48,435	51,497	52,688	6.3%	2.3%	2.3%
Odon Civil Town	159,044	168,934	171,074	6.2%	1.3%	1.3%
Plainville Civil Town	50,758	54,527	56,023	7.4%	2.7%	2.7%
Barr-Reeve Community School Corporation	3,051,338	3,416,871	1,741,854	12.0%	-49.0%	-2.4%
North Daviess County School Corporation	4,662,709	5,258,582	3,119,001	12.8%	-40.7%	5.5%
Washington Community School Corporation	7,481,162	8,549,461	5,249,250	14.3%	-38.6%	2.2%
Odon-Winkelpleck Public Library	28,174	29,515	30,140	4.8%	2.1%	2.1%
Washington Carnegie Public Library	481,679	504,496	495,534	4.7%	-1.8%	-1.8%
Veale Fire District	21,850	56,282	41,483	157.6%	-26.3%	-26.3%
Southeast Daviess Fire Protection District	66,303	71,046	73,033	7.2%	2.8%	2.8%
Daviess County Solid Waste Management Dist.	338,165	354,379	371,248	4.8%	4.8%	4.8%

Note: 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.

## Daviness 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	2008	2008	2009	2008	2009
	Barr Township	200.0	173.2	-13.4%	4,522,265	2,965,855	-34.4%	2.2612	1.7124	23.14%	44.80%	7.53%	12.64%
Cannelburg Town	4.2	2.8	-32.7%	102,946	56,211	-45.4%	2.4759	2.0102	22.85%	46.99%	7.53%	0.00%	0.00%
Montgomery Town	10.4	8.8	-15.8%	285,138	201,677	-29.3%	2.7436	2.3034	22.09%	48.01%	7.53%	19.44%	42.20%
Bogard Township	55.1	57.6	4.5%	1,355,005	1,082,035	-20.1%	2.4584	1.8781	22.33%	44.25%	7.53%	12.54%	23.64%
Elmore Township	39.6	40.1	1.4%	981,011	763,058	-22.2%	2.4786	1.9015	22.15%	44.05%	7.53%	24.04%	55.37%
Elnora Town	10.6	8.4	-20.6%	335,647	234,200	-30.2%	3.1568	2.7747	21.00%	47.88%	7.53%	12.24%	27.36%
Harrison Township	32.1	28.0	-12.8%	795,564	584,463	-26.5%	2.4807	2.0891	20.79%	43.48%	7.53%	4.53%	7.89%
Madison Township	59.8	55.2	-7.8%	1,508,014	1,080,095	-28.4%	2.5207	1.9579	22.07%	44.36%	7.53%	9.58%	16.58%
Odon Town	31.8	25.7	-19.0%	955,550	662,983	-30.6%	3.0069	2.5766	21.11%	46.94%	7.53%	6.49%	15.04%
Reeve Township	33.9	32.0	-5.6%	806,416	590,176	-26.8%	2.3777	1.8437	22.99%	46.08%	7.53%	14.97%	29.46%
Alfordsville Town	1.5	1.3	-14.7%	42,125	29,872	-29.1%	2.7208	2.2609	22.22%	48.11%	7.53%	0.00%	0.00%
Steele Township	48.1	51.2	6.4%	1,191,752	971,195	-18.5%	2.4762	1.8960	22.20%	44.15%	7.53%	6.97%	13.51%
Plainville Town	8.2	7.4	-9.6%	255,837	195,626	-23.5%	3.1333	2.6514	20.93%	47.50%	7.53%	24.86%	49.07%
Van Buren Township	86.9	82.2	-5.5%	2,123,292	1,532,638	-27.8%	2.4426	1.8650	22.36%	44.13%	7.53%	33.51%	69.62%
Veale Township	49.5	38.6	-22.0%	1,250,921	822,213	-34.3%	2.5271	2.1290	20.02%	42.03%	7.53%	1.51%	3.05%
Washington Township	211.8	192.4	-9.2%	5,139,263	3,899,319	-24.1%	2.4267	2.0270	20.60%	42.36%	7.53%	21.18%	36.66%
Washington City	278.2	236.3	-15.1%	10,768,218	8,723,046	-19.0%	3.8700	3.6916	18.64%	48.12%	7.53%	5.90%	9.88%
<b>County Totals/Averages</b>	<b>1,161.8</b>	<b>1,041.2</b>	<b>-10.4%</b>	<b>32,418,963</b>	<b>24,394,659</b>	<b>-24.8%</b>	<b>2.7873</b>	<b>2.3403</b>	<b>20.72%</b>	<b>45.52%</b>	<b>7.53%</b>	<b>11.71%</b>	<b>21.38%</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.

## Daviness 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	
Daviness County	8,657,987	5,703	202,386	38,613	4,012	250,714
Barr Township	51,547	0	0	0	0	0
Bogard Township	23,304	0	0	0	0	0
Elmore Township	27,120	0	48	0	0	48
Harrison Township	3,705	0	0	0	1	1
Madison Township	52,955	0	51	0	22	73
Reeve Township	13,389	0	0	0	0	0
Steele Township	33,278	0	48	0	0	48
Van Buren Township	22,514	0	0	0	0	0
Veale Township	24,821	0	0	0	0	0
Washington Township	222,458	257	8,929	1,741	180	11,107
Washington Civil City	3,441,148	10,053	349,122	68,068	5,881	433,124
Alfordville Civil Town	5,460	0	0	0	5	5
Cannelburg Civil Town	8,693	0	0	0	0	0
Elnora Civil Town	77,372	0	2,299	0	0	2,299
Montgomery Civil Town	52,688	0	0	0	0	0
Odon Civil Town	171,074	0	1,106	0	17	1,123
Plainville Civil Town	56,023	0	768	0	0	768
Barr-Reeve Community School Corporation	1,741,854	0	0	0	21	21
North Daviess County School Corporation	3,119,001	0	4,946	0	276	5,221
Washington Community School Corporation	5,249,250	7,302	253,590	49,442	4,799	315,134
Odon-Winkpleck Public Library	30,140	0	62	0	11	73
Washington Carnegie Public Library	495,534	1,448	50,272	9,801	847	62,368
Veale Fire District	41,483	0	0	0	0	0
Southeast Daviess Fire Protection District	73,033	0	0	0	10	10
Daviness County Solid Waste District	371,248	244	8,672	1,654	172	10,743
<b>Total - All Taxing Units</b>	<b>24,067,079</b>	<b>25,008</b>	<b>882,298</b>	<b>169,321</b>	<b>16,254</b>	<b>1,092,880</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.