

# 2009 DELAWARE COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

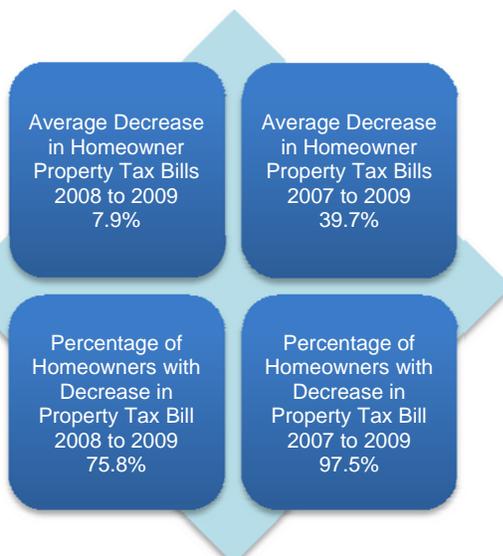


Legislative Services Agency

November 2009

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 Delaware 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	1,228	4.5%	146	0.5%
10% to 19%	2,012	7.3%	47	0.2%
1% to 9%	2,969	10.8%	87	0.3%
0%	434	1.6%	420	1.5%
-1% to -9%	4,605	16.7%	263	1.0%
-10% to -19%	6,841	24.9%	820	3.0%
-20% to -29%	3,795	13.8%	3,123	11.4%
-30% to -39%	1,924	7.0%	6,217	22.6%
-40% to -49%	709	2.6%	7,277	26.5%
-50% to -59%	437	1.6%	4,617	16.8%
-60% to -69%	387	1.4%	1,462	5.3%
-70% to -79%	353	1.3%	692	2.5%
-80% to -89%	256	0.9%	568	2.1%
-90% to -99%	197	0.7%	389	1.4%
-100%	1349	4.9%	1368	5.0%
<b>Total</b>	<b>27,496</b>	<b>100.0%</b>	<b>27,496</b>	<b>100.0%</b>
Higher Tax Bill	6,209	22.6%	280	1.0%
No Change	434	1.6%	420	1.5%
Lower Tax Bill	20,853	75.8%	26,796	97.5%
Average Change in Tax Bill	-7.9%		-39.7%	

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	Delaware County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-13.9%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-30.5%	-30.6%
State PTRC Percentage, 2008	19.7%	20.1%
Total State Homestead Credit, 2008	43.9%	39.5%
Total State Homestead Credit, 2009	7.1%	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. Homeowner tax bills in Delaware County decreased by 7.9%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, more than offset the elimination of the property tax replacement credits and the state homestead credits. Delaware County did not adopt a local option income tax for property tax relief, and few Delaware County homeowners were eligible for the circuit breaker tax cap

credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Delaware County, as they were in almost all 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.

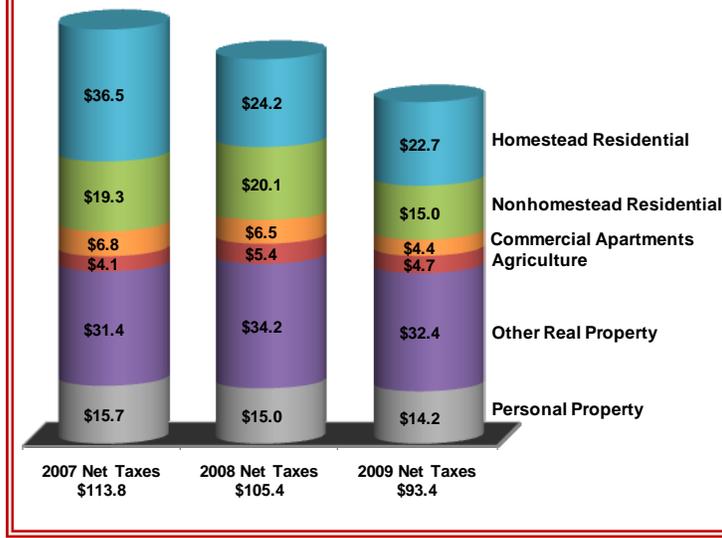
State Property Tax Replacement Credits were eliminated, and State Homestead Credits were much reduced –

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.

### Comparison of Net Property Tax Bills by Property Type Delaware County (In Millions)



In Delaware County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 25.4% decline in average property tax bills. Average tax bills on commercial apartments decreased 32.3%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 13.0% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 5.3%. Personal property, which is largely business equipment, saw a 5.3% 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 Delaware County \$12,599,804

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



### Delaware 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>\$145,156,946</b>	<b>\$150,025,223</b>	<b>\$104,644,926</b>	<b>3.4%</b>	<b>-30.2%</b>	<b>3.3%</b>
State Unit	93,867	94,741	0	0.9%	-100.0%	
Delaware County	29,665,866	35,267,384	20,797,635	18.9%	-41.0%	5.7%
Center Township	2,281,941	2,375,924	2,463,080	4.1%	3.7%	3.7%
Delaware Township	50,066	51,723	51,745	3.3%	0.0%	0.0%
Hamilton Township	186,796	194,036	182,548	3.9%	-5.9%	-5.9%
Harrison Township	77,129	78,397	76,001	1.6%	-3.1%	-3.1%
Liberty Township	105,107	112,860	70,344	7.4%	-37.7%	-37.7%
Monroe Township	158,556	144,260	156,370	-9.0%	8.4%	8.4%
Mt. Pleasant Township	337,637	301,185	241,077	-10.8%	-20.0%	-20.0%
Niles Township	36,478	37,437	39,265	2.6%	4.9%	4.9%
Perry Township	29,796	31,019	30,018	4.1%	-3.2%	-3.2%
Salem Township	98,361	105,106	107,240	6.9%	2.0%	2.0%
Union Township	45,649	47,409	48,782	3.9%	2.9%	2.9%
Washington Township	28,505	33,495	34,778	17.5%	3.8%	3.8%
Muncie Civil City	25,286,888	24,651,423	24,646,888	-2.5%	0.0%	10.8%
Albany Civil Town	275,279	287,563	301,518	4.5%	4.9%	4.9%
Eaton Civil Town	289,736	299,254	315,470	3.3%	5.4%	5.4%
Gaston Civil Town	159,966	176,769	188,352	10.5%	6.6%	6.6%
Selma Civil Town	92,648	95,907	98,919	3.5%	3.1%	3.1%
Yorktown Civil Town	1,721,583	2,080,259	2,132,485	20.8%	2.5%	2.5%
Chesterfield Civil Town	56,522	57,023	72,946	0.9%	27.9%	27.9%
Daleville Civil Town	254,988	262,113	273,913	2.8%	4.5%	4.5%
Delaware Community School Corporation	9,331,754	9,625,246	4,609,504	3.1%	-52.1%	-18.1%
Wes-Del Community School Corporation	3,505,741	3,699,047	1,794,975	5.5%	-51.5%	-0.7%
Liberty-Perry Community School Corporation	3,826,862	3,876,916	2,373,159	1.3%	-38.8%	6.1%
Cowan Community School Corporation	2,548,042	2,502,855	1,563,152	-1.8%	-37.5%	6.6%
Mt. Pleasant Twp Community School Corp.	9,812,480	10,201,955	6,256,019	4.0%	-38.7%	12.1%
Daleville Community Schools	3,106,225	3,474,274	2,123,435	11.8%	-38.9%	5.1%
Muncie Community School Corporation	35,160,065	33,480,121	17,201,568	-4.8%	-48.6%	-1.6%
Muncie Public Library	3,874,548	4,051,223	3,989,813	4.6%	-1.5%	-1.5%
Yorktown - Mt Pleasant Library	380,547	396,816	412,441	4.3%	3.9%	3.9%
Muncie Sanitary District	7,433,713	7,497,736	7,731,045	0.9%	3.1%	3.1%
Muncie Public Transportation	3,512,222	2,979,782	3,457,378	-15.2%	16.0%	16.0%
Delaware Airport	543,646	556,605	560,435	2.4%	0.7%	0.7%
East Central Indiana Solid Waste Mgt. District	226,845	232,905	242,628	2.7%	4.2%	4.2%
Delaware County Redevelopment	393,818	438,299	0	11.3%	-100.0%	-100.0%
Town Of Yorktown Redevelopment	7,519	13,433	0	78.7%	-100.0%	-100.0%
Muncie Redevelopment Commission	159,555	212,723	0	33.3%	-100.0%	-100.0%

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.

## Delaware 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
									Rate-Real				
Center Township	45.4	38.2	-15.8%	1,465,374	853,921	-41.7%	3.2277	2.2347	20.01%	40.67%	7.14%	9.33%	16.79%
Center Township - Muncie Sanitary	133.2	116.0	-12.9%	4,738,644	3,032,993	-36.0%	3.5580	2.6151	19.48%	41.86%	7.14%	9.33%	16.79%
Muncie City - Center Township	1755.4	1612.9	-8.1%	84,296,195	64,269,098	-23.8%	4.8021	3.9848	19.14%	47.44%	7.14%	9.33%	16.79%
Delaware Township	89.3	79.0	-11.5%	2,379,148	1,299,964	-45.4%	2.6656	1.6458	21.29%	41.78%	7.14%	9.33%	16.79%
Albany Town - Delaware Township	44.9	39.0	-13.2%	1,415,701	879,839	-37.9%	3.1508	2.2564	20.49%	44.33%	7.14%	9.33%	16.79%
Hamilton Township	183.4	146.6	-20.1%	4,926,973	2,456,813	-50.1%	2.6859	1.6760	21.09%	41.47%	7.14%	9.33%	16.79%
Hamilton Twp - Muncie Sanitary	95.0	67.6	-28.8%	2,865,348	1,390,249	-51.5%	3.0162	2.0564	20.34%	42.80%	7.14%	9.33%	16.79%
Harrison Township	129.9	109.5	-15.7%	3,072,401	1,615,444	-47.4%	2.3645	1.4755	23.33%	42.63%	7.14%	9.33%	16.79%
Harrison Twp - Muncie Sanitary	60.1	47.2	-21.5%	1,620,661	875,671	-46.0%	2.6948	1.8559	22.21%	44.00%	7.14%	9.33%	16.79%
Liberty Township	133.6	105.9	-20.7%	3,574,861	2,028,602	-43.3%	2.6756	1.9153	20.94%	40.82%	7.14%	9.33%	16.79%
Selma Town	18.6	15.6	-16.3%	583,374	390,533	-33.1%	3.1362	2.5098	20.36%	43.73%	7.14%	9.33%	16.79%
Monroe Township	129.1	100.1	-22.4%	3,696,101	2,236,475	-39.5%	2.8639	2.2343	19.52%	38.96%	7.14%	9.33%	16.79%
Monroe Township - Muncie Sanitary	10.4	7.1	-31.1%	330,747	186,599	-43.6%	3.1942	2.6147	18.98%	40.47%	7.14%	9.33%	16.79%
Mt Pleasant Township	106.4	84.9	-20.2%	2,872,546	1,758,988	-38.8%	2.6990	2.0714	20.86%	40.66%	7.14%	9.33%	16.79%
Mt Pleasant Twp - Muncie Sanitary	73.1	55.4	-24.2%	2,213,619	1,357,505	-38.7%	3.0293	2.4518	20.13%	42.08%	7.14%	9.33%	16.79%
Muncie City - Mt Pleasant Township	55.9	54.2	-3.0%	2,564,323	2,259,906	-11.9%	4.5882	4.1695	18.84%	47.71%	7.14%	9.33%	16.79%
Yorktown Town	229.8	169.9	-26.1%	7,182,999	4,590,723	-36.1%	3.1260	2.7019	19.52%	41.34%	7.14%	9.33%	16.79%
Niles Township	56.7	52.0	-8.3%	1,515,672	861,702	-43.1%	2.6739	1.6574	21.39%	42.12%	7.14%	9.33%	16.79%
Albany Town - Niles Township	10.5	7.6	-28.1%	334,679	173,421	-48.2%	3.1808	2.2911	20.43%	44.40%	7.14%	9.33%	16.79%
Perry Township	84.5	71.7	-15.1%	2,220,678	1,357,574	-38.9%	2.6295	1.8942	21.25%	41.08%	7.14%	9.33%	16.79%
Salem Township	110.5	94.4	-14.6%	3,436,891	2,076,253	-39.6%	3.1107	2.1996	19.59%	38.19%	7.14%	9.33%	16.79%
Union Township	54.7	51.2	-6.4%	1,471,443	855,508	-41.9%	2.6880	1.6694	21.30%	42.05%	7.14%	9.33%	16.79%
Eaton Town	31.8	25.7	-19.1%	1,144,281	732,895	-36.0%	3.6036	2.8538	19.56%	45.09%	7.14%	9.33%	16.79%
Washington Township	66.0	57.6	-12.8%	1,564,386	853,535	-45.4%	2.3694	1.4822	23.37%	42.83%	7.14%	9.33%	16.79%
Gaston Town	16.4	12.6	-23.0%	563,751	370,128	-34.3%	3.4469	2.9390	21.18%	47.92%	7.14%	9.33%	16.79%
Daleville Town	51.1	42.6	-16.6%	1,830,063	1,181,817	-35.4%	3.5824	2.7752	19.09%	40.73%	7.14%	9.33%	16.79%
Chesterfield Town	7.6	7.2	-5.1%	289,031	226,175	-21.7%	3.8232	3.1511	18.96%	41.96%	7.14%	9.33%	16.79%
Hamilton Sanitary Muncie	15.7	16.9	7.1%	732,239	650,882	-11.1%	4.6522	3.8613	18.90%	48.30%	7.14%	9.33%	16.79%
Liberty Muncie	1.0	1.7	79.6%	44,922	71,946	60.2%	4.6396	4.1368	18.82%	47.95%	7.14%	9.33%	16.79%
Muncie Annex	8.3	8.7	5.9%	397,020	348,075	-12.3%	4.8122	3.9848	19.13%	47.46%	7.14%	9.33%	16.79%
Mt. Pleasant-Muncie-County TIF	2.7	2.6	-2.4%	122,082	108,084	-11.5%	4.5983	4.1695	18.83%	47.74%	7.14%	9.33%	16.79%
Yorktown Annex	104.6	81.0	-22.6%	3,306,612	2,205,737	-33.3%	3.1603	2.7243	19.39%	41.29%	7.14%	9.33%	16.79%
Muncie Phase In 1	7.3	7.4	1.1%	301,784	266,753	-11.6%	4.1392	3.6196	19.13%	47.46%	7.14%	9.33%	16.79%
Muncie Phase In 2	2.9	2.7	-7.6%	119,585	96,674	-19.2%	4.1392	3.6196	19.13%	47.46%	7.14%	9.33%	16.79%
Yorktown Sanitary	76.4	52.3	-31.6%	2,666,899	1,623,175	-39.1%	3.4906	3.1047	18.90%	42.43%	7.14%	9.33%	16.79%
<b>County Totals/Averages</b>	<b>4,002.0</b>	<b>3,444.7</b>	<b>-13.9%</b>	<b>151,861,032</b>	<b>105,543,654</b>	<b>-30.5%</b>	<b>3.8005</b>	<b>3.0622</b>	<b>19.69%</b>	<b>43.86%</b>	<b>7.14%</b>	<b>9.33%</b>	<b>16.79%</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.

## Delaware 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	
Delaware County	20,797,635	11,177	1,117,386	656,041	1,313	1,785,916
Center Township	2,463,080	2,083	198,056	113,317	113	313,568
Delaware Township	51,745	0	0	0	0	0
Hamilton Township	182,548	0	7	117	56	180
Harrison Township	76,001	0	0	0	0	0
Liberty Township	70,344	0	9	54	1	65
Monroe Township	156,370	0	18	0	0	18
Mt. Pleasant Township	241,077	3	2,310	1,429	17	3,760
Niles Township	39,265	0	0	0	0	0
Perry Township	30,018	0	0	0	8	8
Salem Township	107,240	0	224	0	0	224
Union Township	48,782	0	280	0	0	280
Washington Township	34,778	0	143	0	0	143
Muncie Civil City	24,646,888	26,736	2,579,286	1,574,609	1,328	4,181,959
Albany Civil Town	301,518	0	0	0	0	0
Eaton Civil Town	315,470	0	10,989	0	0	10,989
Gaston Civil Town	188,352	0	9,453	0	0	9,453
Selma Civil Town	98,919	0	123	0	42	164
Yorktown Civil Town	2,132,485	50	29,697	0	150	29,897
Chesterfield Civil Town	72,946	0	0	0	0	0
Daleville Civil Town	273,913	0	4,507	0	0	4,507
Delaware Community School Corporation	4,609,504	0	9,409	14,452	624	24,485
Wes-Del Community School Corporation	1,794,975	0	5,042	0	0	5,042
Liberty-Perry Community School Corporation	2,373,159	0	553	3,142	316	4,011
Cowan Community School Corporation	1,563,152	0	183	0	0	183
Mt. Pleasant Township Community School Corp	6,256,019	90	106,366	81,534	393	188,384
Daleville Community Schools	2,123,435	0	10,352	0	0	10,352
Muncie Community School Corporation	17,201,568	17,840	1,684,462	970,509	909	2,673,720
Muncie Public Library	3,989,813	3,968	384,223	233,846	202	622,239
Yorktown - Mt Pleasant Library	412,441	7	3,933	0	29	3,968
Muncie Sanitary	7,731,045	6,986	677,586	410,082	641	1,095,295
Muncie Public Transportation	3,457,378	3,750	362,164	221,000	186	587,101
Delaware Airport	560,435	300	30,005	17,616	35	47,956
Chesterfield Park	0	0	0	0	0	0
East Central Indiana Solid Waste	242,628	130	13,024	7,647	15	20,816
Delaware County Redevelopment	0	0	0	0	0	0
Town of Yorktown Redevelopment	0	0	0	0	0	0
Muncie Redevelopment Commission	0	0	0	0	0	0
TIF Districts	6,873,230	97	582,817	392,207	0	975,121
<b>Total - All Taxing Units &amp; TIF</b>	<b>111,518,156</b>	<b>73,218</b>	<b>7,822,605</b>	<b>4,697,601</b>	<b>6,379</b>	<b>12,599,804</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.