

2010 Property Tax Report

Floyd County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Floyd 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 Floyd County and those that have occurred throughout the state. Statewide averages are based on data from all counties except Lake and LaPorte.

Comparable Homestead Property Tax Changes in Floyd 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	16,286	91.8%	623	3.5%
No Change	322	1.8%	82	0.5%
Lower Tax Bill	1,124	6.3%	17,027	96.0%
Average Change in Tax Bill	9.3%		-25.4%	
Detailed Change in Tax Bill				
20% or More	975	5.5%	178	1.0%
10% to 19%	8,909	50.2%	98	0.6%
1% to 9%	6,402	36.1%	347	2.0%
0%	322	1.8%	82	0.5%
-1% to -9%	723	4.1%	1,027	5.8%
-10% to -19%	203	1.1%	3,213	18.1%
-20% to -29%	62	0.3%	6,407	36.1%
-30% to -39%	47	0.3%	4,063	22.9%
-40% to -49%	17	0.1%	1,229	6.9%
-50% to -59%	15	0.1%	367	2.1%
-60% to -69%	8	0.0%	195	1.1%
-70% to -79%	5	0.0%	113	0.6%
-80% to -89%	11	0.1%	93	0.5%
-90% to -99%	4	0.0%	54	0.3%
-100%	29	0.2%	266	1.5%
Total	17,732	100.0%	17,732	100.0%

The average homeowner saw a 9.3% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 25.4% lower than they were in 2007, before the property tax reforms.

96.0% of homeowners saw lower tax bills in 2010 than in 2007.

86.3% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

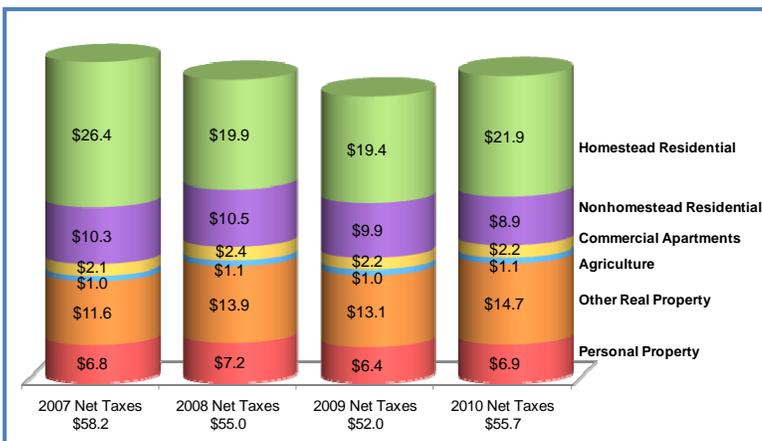
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Floyd County Overview

The larger-than-average increase in homeowner tax bills appears to be the result of several factors. Property tax levies increased 6.6% in Floyd County in 2010, more than the state average increase of 2.4%. The largest levy increases were in the New Albany City general fund and the New Albany-Floyd County School Corporation capital projects and bus replacement funds. These increases were only partly offset by decreases in the city's police and fire pension fund levies and the school corporation's debt service levy. Floyd County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Floyd County tax rates tend to be lower than the state average. The county also saw a decrease in local homestead property tax credit rates, partly because the local income tax revenues that fund these credits did not increase in 2010.

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



Net tax bills for all taxpayers increased 6.8% in Floyd County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 3.3% decrease in tax bills. This decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 10.0% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and

equipment, saw an 11.9% and 8.6% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Floyd County property tax levies and an increase in assessed values. Commercial and industrial property did not benefit from the tightened tax caps because Floyd County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 5.2% increase in tax payments in 2010 because of the Floyd County tax levy increases and 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.



Tax Cap Credits

Tax cap credits in Floyd County in 2010 amounted to 1.9% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to lower-than-average tax rates in Floyd County. Many properties in the 2% cap category received credits. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Floyd County tax rates were under \$3. Neither Floyd County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Floyd County Total \$1,156,656**

1%	2%	3%	Elderly
\$88,943	\$1,028,190	\$0	\$39,523
7.7%	88.9%	0.0%	3.4%

Floyd County, New Albany City, and New Albany-Floyd County Consolidated Schools saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, New Albany City and New Albany Flood Control lost the most, at 3.8% each. Losses were greatest for units that overlapped New Albany City because its tax district had the highest tax rate.

The Effects of Recession

In Floyd County the recession has affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.0% in December 2007 to 8.3% in July 2009. Despite job losses local income tax revenue remained flat in 2010.

Floyd County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	3,344,180,000	3,325,493,496	-0.6%
Other Residential	481,200,400	488,364,950	1.5%
Ag Business/Land	64,754,900	65,801,440	1.6%
Business Real/Personal	1,240,046,450	1,272,073,930	2.6%
Total	\$5,130,181,750	\$5,151,733,816	0.4%

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 Floyd County, the gross assessed value of business real and personal property grew 2.6% in 2010. All other assessment categories except homesteads increased, and total gross assessed value in Floyd County rose 0.4%. This was just under 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.

Floyd County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	78,346,229	85,584,171	51,562,359	54,964,110	9.2%	-39.8%	6.6%
State Unit	83,444	86,572	0	0	3.7%	-100.0%	
Floyd County	9,051,776	11,884,750	6,787,317	6,916,536	31.3%	-42.9%	1.9%
Franklin Township	11,268	11,664	9,211	10,885	3.5%	-21.0%	18.2%
Georgetown Township	76,585	5,909	0	0	-92.3%	-100.0%	
Greenville Township	100,548	107,736	97,136	99,057	7.1%	-9.8%	2.0%
Lafayette Township	33,106	24,991	23,231	24,758	-24.5%	-7.0%	6.6%
New Albany Township	168,752	176,934	170,885	197,017	4.8%	-3.4%	15.3%
New Albany Civil City	12,010,081	12,282,791	10,578,858	12,136,405	2.3%	-13.9%	14.7%
Georgetown Civil Town	229,587	244,933	248,394	259,546	6.7%	1.4%	4.5%
Greenville Civil Town	18,555	18,933	12,450	17,776	2.0%	-34.2%	42.8%
New Albany-Floyd County Consol Schools	51,811,606	56,466,500	29,441,281	30,382,102	9.0%	-47.9%	3.2%
New Albany-Floyd County Public Library	1,867,053	1,662,901	1,403,920	1,720,015	-10.9%	-15.6%	22.5%
New Albany Flood Control	858,844	855,419	576,667	575,858	-0.4%	-32.6%	-0.1%
Floyd County Solid Waste Mgt Dist	0	0	0	0			
Georgetown Twp Fire Distrct	739,612	553,734	814,260	938,450	-25.1%	47.0%	15.3%
Lafayette Twp Fire Dist	586,660	439,283	560,994	613,923	-25.1%	27.7%	9.4%
New Alabany Twp Fire Dist	698,752	761,121	837,755	1,071,782	8.9%	10.1%	27.9%
City Of New Albany Redevelopment	0	0	0	0			

Floyd County 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	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
22001	Franklin Township	1.3700	--	3.8876%	--	7.5939%	--	--	--	1.2127
22002	Georgetown Township	1.6093	--	3.8876%	--	7.5939%	--	--	--	1.4245
22003	Georgetown Town	1.9123	--	3.8876%	--	7.5939%	--	--	--	1.6927
22004	Greenville Township	1.3924	--	3.8876%	--	7.5939%	--	--	--	1.2325
22005	Greenville Town	1.4421	--	3.8876%	--	7.5939%	--	--	--	1.2765
22006	Lafayette Township	1.5014	--	3.8876%	--	7.5939%	--	--	--	1.3290
22007	New Albany Township	1.5484	--	3.8876%	--	7.5939%	--	--	--	1.3706
22008	New Albany City	2.3131	--	3.8876%	--	7.5939%	--	--	--	2.0475

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

Floyd County 2010 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>	88,940	1,028,114	0	39,518	1,156,572	54,964,110	2.1%
<i>TIF Total</i>	0	76	0	0	76	4,616,619	0.0%
<i>County Total</i>	88,940	1,028,190	0	39,518	1,156,648	59,580,729	1.9%
State Unit	0	0	0	0	0	0	
Floyd County	9,191	102,451	0	4,441	116,084	6,916,536	1.7%
Franklin Township	0	0	0	2	2	10,885	0.0%
Georgetown Township	0	0	0	0	0	0	
Greenville Township	18	0	0	33	51	99,057	0.1%
Lafayette Township	0	0	0	1	1	24,758	0.0%
New Albany Township	396	4,800	0	185	5,381	197,017	2.7%
New Albany Civil City	32,858	410,294	0	12,341	455,493	12,136,405	3.8%
Georgetown Civil Town	280	0	0	83	363	259,546	0.1%
Greenville Civil Town	10	0	0	8	18	17,776	0.1%
New Albany-Floyd County Consol Schools	41,445	464,787	0	19,801	526,033	30,382,102	1.7%
New Albany-Floyd County Public Library	2,346	26,313	0	1,121	29,780	1,720,015	1.7%
New Albany Flood Control	1,559	19,468	0	586	21,613	575,858	3.8%
Floyd County Solid Waste Mgt Dist	0	0	0	0	0	0	
Georgetown Twp Fire Distrct	627	0	0	200	828	938,450	0.1%
Lafayette Twp Fire Dist	0	0	0	16	16	613,923	0.0%
New Alabany Twp Fire Dist	210	0	0	700	910	1,071,782	0.1%
City Of New Albany Redevelopment	0	0	0	0	0	0	
TIF - New Albany Township	0	0	0	0	0	915,686	0.0%
TIF - New Albany City	0	76	0	0	76	3,700,932	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.