

2009 FOUNTAIN COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

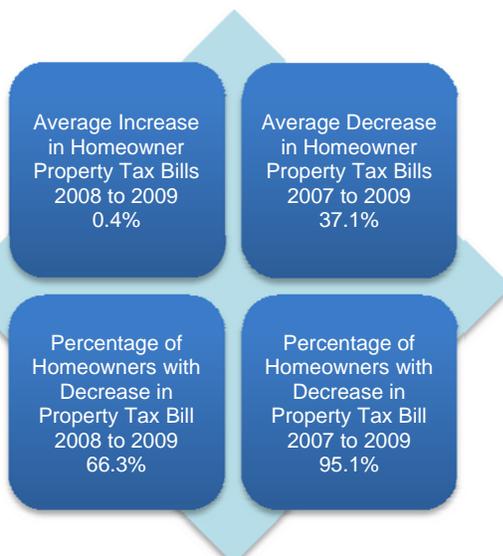


Legislative Services Agency

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 Fountain 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	617	13.4%	112	2.4%
10% to 19%	395	8.6%	27	0.6%
1% to 9%	487	10.6%	38	0.8%
0%	51	1.1%	47	1.0%
-1% to -9%	799	17.4%	54	1.2%
-10% to -19%	823	17.9%	272	5.9%
-20% to -29%	582	12.6%	379	8.2%
-30% to -39%	235	5.1%	807	17.5%
-40% to -49%	110	2.4%	1,095	23.8%
-50% to -59%	84	1.8%	943	20.5%
-60% to -69%	73	1.6%	300	6.5%
-70% to -79%	60	1.3%	148	3.2%
-80% to -89%	63	1.4%	102	2.2%
-90% to -99%	35	0.8%	85	1.8%
-100%	187	4.1%	192	4.2%
Total	4,601	100.0%	4,601	100.0%
Higher Tax Bill	1,499	32.6%	177	3.8%
No Change	51	1.1%	47	1.0%
Lower Tax Bill	3,051	66.3%	4,377	95.1%
Average Change in Tax Bill	0.4%		-37.1%	

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	Fountain County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-10.6%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-34.3%	-30.6%
State PTRC Percentage, 2008	23.9%	20.1%
Total State Homestead Credit, 2008	47.1%	39.5%
Total State Homestead Credit, 2009	8.0%	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 Fountain County were unchanged. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were just offset by the elimination of the property tax replacement credits and the state homestead credits. Fountain County did not adopt a local option income tax for property tax relief, and few Fountain County homeowners were eligible for the circuit breaker tax cap

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

2009 Property Tax Changes:

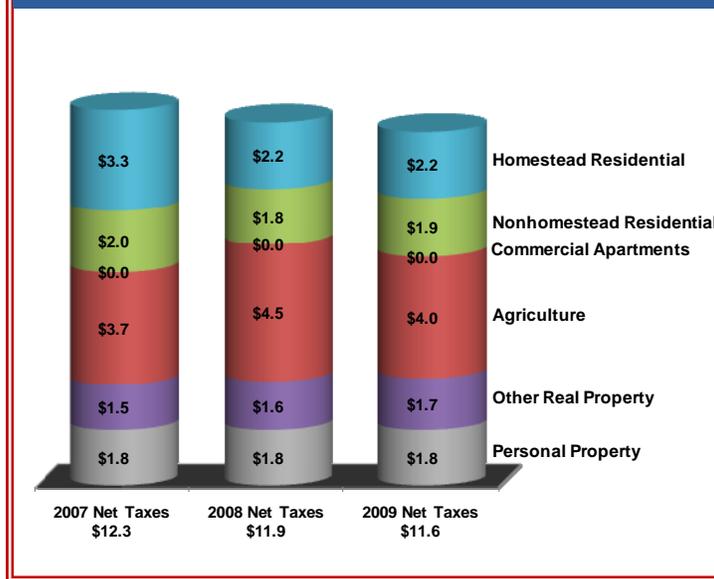
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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
Fountain County
(In Millions)



In Fountain County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 5.6% increase in average property tax bills. There was no significant change in average tax bills on commercial apartments. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw an 11.1% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 6.3%. Personal property, which is largely business equipment, saw no significant change 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 Fountain County \$20,324

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



Fountain 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
County Total	\$16,750,076	\$17,714,164	\$11,480,746	5.8%	-35.2%	-1.4%
State Unit	16,624	17,982	0	8.2%	-100.0%	
Fountain County	3,926,078	4,049,669	3,134,571	3.1%	-22.6%	2.6%
Cain Township	12,832	12,668	12,034	-1.3%	-5.0%	-5.0%
Davis Township	13,371	13,992	14,515	4.6%	3.7%	3.7%
Fulton Township	21,006	22,185	22,881	5.6%	3.1%	3.1%
Jackson Township	19,835	20,585	21,385	3.8%	3.9%	3.9%
Logan Township	34,095	35,935	37,271	5.4%	3.7%	3.7%
Millcreek Township	21,871	22,161	22,672	1.3%	2.3%	2.3%
Richland Township	23,361	25,023	25,910	7.1%	3.5%	3.5%
Shawnee Township	20,087	19,971	21,583	-0.6%	8.1%	8.1%
Troy Township	43,991	45,435	46,289	3.3%	1.9%	1.9%
Van Buren Township	86,422	74,331	69,145	-14.0%	-7.0%	-7.0%
Wabash Township	17,442	17,977	18,922	3.1%	5.3%	5.3%
Attica Civil City	736,269	775,417	778,049	5.3%	0.3%	1.9%
Covington Civil City	539,688	569,687	557,481	5.6%	-2.1%	3.2%
Hillsboro Civil Town	47,988	50,500	52,434	5.2%	3.8%	3.8%
Kingman Civil Town	54,295	55,540	58,037	2.3%	4.5%	4.5%
Mellott Civil Town	11,373	11,743	12,130	3.3%	3.3%	3.3%
Newtown Civil Town	13,342	13,970	14,065	4.7%	0.7%	0.7%
Veedersburg Civil Town	258,011	331,486	252,834	28.5%	-23.7%	-23.7%
Wallace Civil Town	685	733	733	7.0%	0.0%	0.0%
Attica Consolidated School Corporation	3,350,431	3,395,955	1,890,882	1.4%	-44.3%	-1.0%
Covington Community School Corporation	2,713,098	2,907,678	1,685,006	7.2%	-42.0%	2.2%
Southeast Fountain School Corporation	4,196,294	4,691,204	2,188,269	11.8%	-53.4%	-9.6%
Covington Public Library	172,426	176,274	184,000	2.2%	4.4%	4.4%
Kingman-Millcreek Public Library	40,583	42,584	44,706	4.9%	5.0%	5.0%
Attica Public Library	179,750	186,107	182,458	3.5%	-2.0%	-2.0%
Fountain County Solid Waste Mgt. District	121,911	127,372	132,484	4.5%	4.0%	4.0%
Veedersburg Redevelopment Commission	56,917	0	0	-100.0%	0.0%	0.0%

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.

Fountain 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
Cain Township	45.9	42.6	-7.1%	915,106	526,695	-42.4%	1.9936	1.2352	26.44%	46.40%	7.96%	3.55%	7.23%
Hillsboro Town	11.8	9.9	-16.0%	282,784	173,322	-38.7%	2.4009	1.7508	25.30%	50.62%	7.96%	0.73%	1.30%
Davis Township	32.1	27.2	-15.4%	740,529	455,227	-38.5%	2.3050	1.6748	22.42%	42.25%	7.96%	1.38%	2.96%
Fulton Township	31.2	27.5	-12.0%	645,607	434,569	-32.7%	2.0660	1.5795	24.23%	43.74%	7.96%	2.40%	4.41%
Jackson Township	39.2	37.2	-5.2%	792,172	470,263	-40.6%	2.0184	1.2644	26.48%	47.04%	7.96%	2.53%	5.12%
Wallace Town	1.9	1.6	-17.5%	39,294	20,423	-48.0%	2.0260	1.2769	26.47%	47.18%	7.96%	2.89%	7.12%
Logan Township	30.6	27.8	-9.1%	703,368	462,898	-34.2%	2.2993	1.6654	22.44%	42.22%	7.96%	6.80%	11.71%
Attica City	106.0	96.0	-9.4%	3,196,696	2,391,174	-25.2%	3.0161	2.4905	21.34%	47.70%	7.96%	23.52%	40.40%
Richland Township	56.0	54.8	-2.1%	1,124,761	686,585	-39.0%	2.0085	1.2523	26.50%	46.90%	7.96%	2.85%	5.21%
Mellott Town	4.7	3.9	-17.6%	104,962	60,272	-42.6%	2.2345	1.5568	24.18%	44.87%	7.96%	14.25%	33.63%
Newtown Town	5.6	4.8	-14.9%	125,365	72,572	-42.1%	2.2390	1.5227	25.50%	48.57%	7.96%	0.06%	0.12%
Shawnee Township	44.7	40.9	-8.4%	980,842	634,387	-35.3%	2.1959	1.5504	23.03%	42.08%	7.96%	1.43%	2.55%
Troy Township	58.5	53.9	-7.8%	1,245,134	893,111	-28.3%	2.1302	1.6568	24.29%	45.10%	7.96%	2.72%	4.24%
Covington City	71.8	55.7	-22.5%	2,048,449	1,453,426	-29.0%	2.8524	2.6103	22.88%	50.87%	7.96%	1.10%	1.70%
Van Buren Township	49.8	45.5	-8.5%	1,071,185	641,968	-40.1%	2.1525	1.4103	25.51%	47.05%	7.96%	2.23%	4.02%
Veedersburg Town	51.4	42.3	-17.8%	1,401,019	822,512	-41.3%	2.7242	1.9466	22.91%	48.25%	7.96%	11.88%	23.79%
Wabash Township	37.2	31.0	-16.8%	761,419	482,777	-36.6%	2.0446	1.5574	24.46%	43.96%	7.96%	4.48%	8.96%
Millcreek Township	56.8	54.2	-4.5%	1,174,119	714,111	-39.2%	2.0670	1.3167	26.25%	47.44%	7.96%	2.92%	6.34%
Kingman Town	10.4	9.9	-4.7%	267,956	186,057	-30.6%	2.5781	1.8783	24.50%	50.85%	7.96%	3.68%	6.32%
County Totals/Averages	745.7	666.7	-10.6%	17,620,767	11,582,351	-34.3%	2.3643	1.7332	23.94%	47.09%	7.96%	6.92%	12.30%

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.

Fountain 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	
Fountain County	3,134,571	329	3,031	0	352	3,713
Cain Township	12,034	0	0	0	0	0
Davis Township	14,515	0	0	0	0	0
Fulton Township	22,881	0	0	0	0	0
Jackson Township	21,385	0	0	0	0	0
Logan Township	37,271	0	0	0	1	1
Millcreek Township	22,672	0	0	0	2	2
Richland Township	25,910	0	0	0	0	0
Shawnee Township	21,583	0	0	0	2	2
Troy Township	46,289	13	116	0	10	139
Van Buren Township	69,145	0	0	0	2	2
Wabash Township	18,922	0	0	0	0	0
Attica Civil City	778,049	0	0	0	16	16
Covington Civil City	557,481	698	6,423	0	572	7,694
Hillsboro Civil Town	52,434	0	0	0	0	0
Kingman Civil Town	58,037	0	0	0	8	8
Mellott Civil Town	12,130	0	0	0	0	0
Newtown Civil Town	14,065	0	0	0	0	0
Veedersburg Civil Town	252,834	0	0	0	26	26
Wallace Civil Town	733	0	0	0	0	0
Attica Consolidated School Corporation	1,890,882	0	0	0	60	60
Covington Community School Corporation	1,685,006	698	6,426	0	573	7,697
Southeast Fountain School Corporation	2,188,269	0	0	0	82	82
Covington Public Library	184,000	65	598	0	57	720
Kingman-Millcreek Public Library	44,706	0	0	0	5	5
Attica Public Library	182,458	0	0	0	2	2
Veedersburg Redevelopment	0	0	0	0	0	0
Fountain County Solid Waste Management District	132,484	14	128	0	15	157
Veedersburg Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	11,480,746	1,817	16,723	0	1,785	20,324

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.