

# 2010 Property Tax Report

## Fountain County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Fountain 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 Fountain 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 Fountain County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	3,869	86.5%	289	6.5%
No Change	230	5.1%	43	1.0%
Lower Tax Bill	374	8.4%	4,141	92.6%
<b>Average Change in Tax Bill</b>	<b>11.6%</b>		<b>-29.9%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	816	18.2%	177	4.0%
10% to 19%	1,602	35.8%	43	1.0%
1% to 9%	1,451	32.4%	69	1.5%
0%	230	5.1%	43	1.0%
-1% to -9%	207	4.6%	254	5.7%
-10% to -19%	87	1.9%	496	11.1%
-20% to -29%	25	0.6%	503	11.2%
-30% to -39%	6	0.1%	822	18.4%
-40% to -49%	7	0.2%	841	18.8%
-50% to -59%	10	0.2%	559	12.5%
-60% to -69%	9	0.2%	203	4.5%
-70% to -79%	7	0.2%	114	2.5%
-80% to -89%	3	0.1%	83	1.9%
-90% to -99%	4	0.1%	84	1.9%
-100%	9	0.2%	182	4.1%
<b>Total</b>	<b>4,473</b>	<b>100.0%</b>	<b>4,473</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw an 11.6% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 29.9% lower than they were in 2007, before the property tax reforms.

92.6% of homeowners saw lower tax bills in 2010 than in 2007.

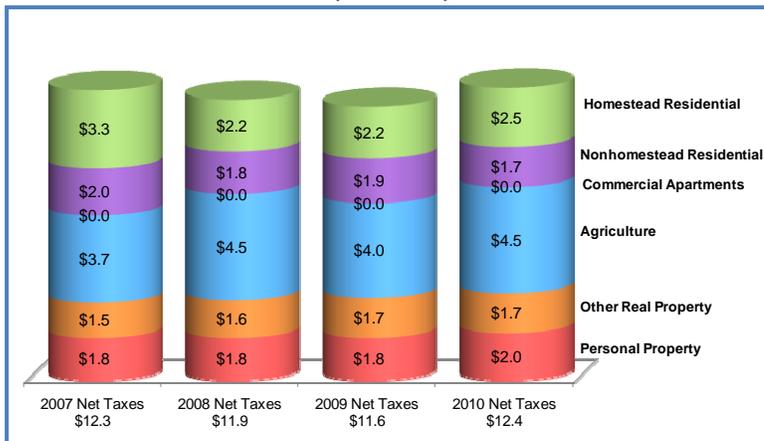
68.2% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2010.

### Fountain County Overview

The larger-than-average increase in homeowner tax bills had two main causes. Property tax levies increased 7.3% in Fountain County in 2010, more than the state average increase of 2.4%. This was mainly due to increases in the Covington Community School Corporation debt service levy, and to increases in several fund levies of the Southeast Fountain School Corporation. Homeowners in Fountain County benefitted less from tax caps than did homeowners in the average Indiana county. Fountain County tax rates and home values were too low for many homeowners to be eligible for tax cap credits. Local homestead property tax credit rates were little changed in Fountain County in 2010.

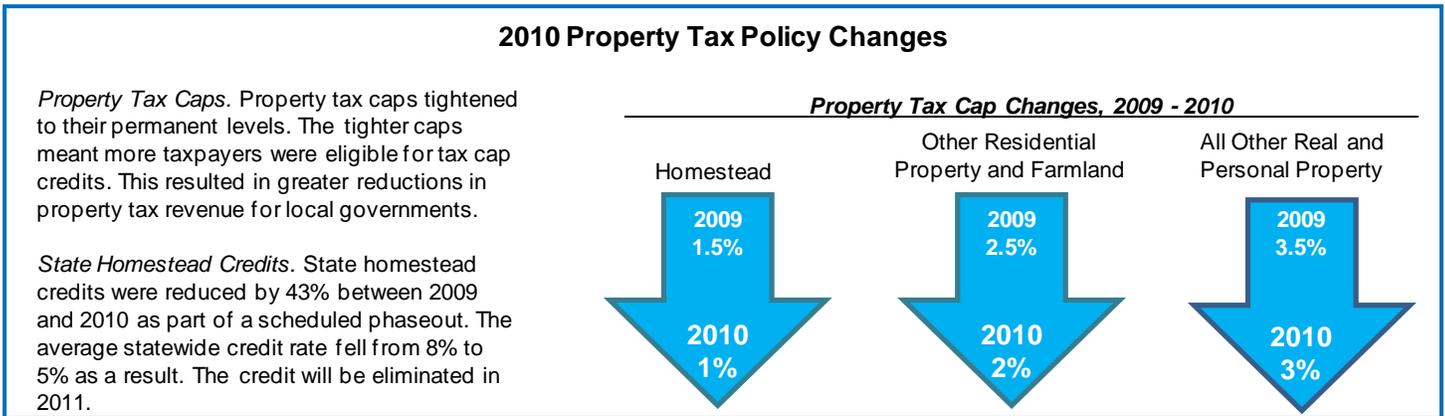
### Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 7.0% in Fountain County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 12.1% decrease in tax bills. This large 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 9.3% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.1% and a 12.0% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Fountain County property tax levies. Commercial and industrial property did not benefit from the tightened tax caps because

Fountain County's tax rates were not high enough for this type of property to qualify for tax cap credits. While gross assessments for personal property grew by 1%, net taxable value grew by 6.4% because of a reduction in personal property deductions. This accounts for the larger increase in total taxes on personal property.

Agricultural business property saw an 11.2% increase in tax payments in 2010 because of the Fountain County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



**Tax Cap Credits**

Tax cap credits in Fountain County in 2010 amounted to 2.8% 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 Fountain County and to the county having a smaller share of its net assessed value in the 2% cap category. 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 tax rates in Fountain County were below \$3. Neither Fountain 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  
Fountain County Total \$363,576**

1%	2%	3%	Elderly
\$51,341	\$304,469	\$0	\$7,766
14.1%	83.7%	0.0%	2.1%

Fountain County, Covington City, and the Covington Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, Covington City lost the most, at 12.1%. Losses were greatest for units that overlapped the municipalities of Attica and Covington because these tax districts had the highest tax rates.

**The Effects of Recession**

In Fountain County the recession has had a large effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.3% in December 2007 to 14.9% in July 2009. Despite job losses and income declines, there was a 6.9% increase in local income tax revenue.

**Fountain County Gross Assessed Value by Property Type**

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	465,872,900	467,585,100	0.4%
Other Residential	75,334,300	76,030,600	0.9%
Ag Business/Land	278,008,800	288,629,400	3.8%
Business Real/Personal	202,813,410	202,308,980	-0.2%
<b>Total</b>	<b>\$1,022,029,410</b>	<b>\$1,034,554,080</b>	<b>1.2%</b>

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. 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 Fountain County, the gross assessed value of business real and personal property decreased 0.2% in 2010. Total gross assessed value in Fountain County rose 1.2%. This was higher than the state average increase of 0.6%. Lower assessed values may result in higher tax rates for local taxpayers.

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.

### Fountain County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	16,750,076	17,714,164	11,480,746	12,319,649	5.8%	-35.2%	7.3%
State Unit	16,624	17,982	0	0	8.2%	-100.0%	
Fountain County	3,926,078	4,049,669	3,134,571	3,187,098	3.1%	-22.6%	1.7%
Cain Township	12,832	12,668	12,034	12,770	-1.3%	-5.0%	6.1%
Davis Township	13,371	13,992	14,515	14,978	4.6%	3.7%	3.2%
Fulton Township	21,006	22,185	22,881	23,329	5.6%	3.1%	2.0%
Jackson Township	19,835	20,585	21,385	22,067	3.8%	3.9%	3.2%
Logan Township	34,095	35,935	37,271	37,082	5.4%	3.7%	-0.5%
Millcreek Township	21,871	22,161	22,672	23,070	1.3%	2.3%	1.8%
Richland Township	23,361	25,023	25,910	26,103	7.1%	3.5%	0.7%
Shawnee Township	20,087	19,971	21,583	21,831	-0.6%	8.1%	1.1%
Troy Township	43,991	45,435	46,289	47,676	3.3%	1.9%	3.0%
Van Buren Township	86,422	74,331	69,145	85,000	-14.0%	-7.0%	22.9%
Wabash Township	17,442	17,977	18,922	19,492	3.1%	5.3%	3.0%
Attica Civil City	736,269	775,417	778,049	791,499	5.3%	0.3%	1.7%
Covington Civil City	539,688	569,687	557,481	567,729	5.6%	-2.1%	1.8%
Hillsboro Civil Town	47,988	50,500	52,434	53,338	5.2%	3.8%	1.7%
Kingman Civil Town	54,295	55,540	58,037	58,709	2.3%	4.5%	1.2%
Mellott Civil Town	11,373	11,743	12,130	12,563	3.3%	3.3%	3.6%
Newtown Civil Town	13,342	13,970	14,065	13,001	4.7%	0.7%	-7.6%
Veedersburg Civil Town	258,011	331,486	252,834	256,108	28.5%	-23.7%	1.3%
Wallace Civil Town	685	733	733	733	7.0%	0.0%	0.0%
Attica Consolidated School Corp	3,350,431	3,395,955	1,890,882	1,962,764	1.4%	-44.3%	3.8%
Covington Community School Corp	2,713,098	2,907,678	1,685,006	2,107,565	7.2%	-42.0%	25.1%
Southeast Fountain School Corp	4,196,294	4,691,204	2,188,269	2,397,238	11.8%	-53.4%	9.5%
Covington Public Library	172,426	176,274	184,000	187,749	2.2%	4.4%	2.0%
Kingman-Millcreek Public Library	40,583	42,584	44,706	45,875	4.9%	5.0%	2.6%
Attica Public Library	179,750	186,107	182,458	207,303	3.5%	-2.0%	13.6%
Fountain County Solid Waste Mgt Dist	121,911	127,372	132,484	136,979	4.5%	4.0%	3.4%
Veedersburg Redevelopment Comm	56,917	0	0	0	-100.0%		

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

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Homestead	LOIT Residential	Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential			
23001	Cain Township	1.3141	--	4.1818%	--	7.2911%	--	--	1.1633	
23002	Hillsboro Town	1.8529	--	4.1818%	--	1.2283%	--	--	1.7527	
23003	Davis Township	1.7262	--	4.1818%	--	2.9815%	--	--	1.6025	
23004	Fulton Township	1.8204	--	4.1818%	--	3.7249%	--	--	1.6765	
23005	Jackson Township	1.3445	--	4.1818%	--	5.0823%	--	--	1.2199	
23006	Wallace Town	1.3538	--	4.1818%	--	8.9065%	--	--	1.1766	
23007	Logan Township	1.7162	--	4.1818%	--	11.9261%	--	--	1.4398	
23008	Attica City	2.5380	--	4.1818%	--	42.4794%	--	--	1.3537	
23011	Richland Township	1.3300	--	4.1818%	--	5.1621%	--	--	1.2057	
23012	Mellott Town	1.6455	--	4.1818%	--	32.7871%	--	--	1.0372	
23013	Newtown Town	1.5813	--	4.1818%	--	0.1299%	--	--	1.5131	
23014	Shawnee Township	1.5888	--	4.1818%	--	2.9562%	--	--	1.4754	
23015	Troy Township	1.9049	--	4.1818%	--	3.9331%	--	--	1.7503	
23016	Covington City	2.8834	--	4.1818%	--	1.6430%	--	--	2.7154	
23017	Van Buren Township	1.5284	--	4.1818%	--	3.9360%	--	--	1.4043	
23018	Veedersburg Town	2.1423	--	4.1818%	--	22.9872%	--	--	1.5603	
23019	Wabash Township	1.8026	--	4.1818%	--	8.0606%	--	--	1.5819	
23020	Millcreek Township	1.3894	--	4.1818%	--	4.9875%	--	--	1.2619	
23021	Kingman Town	1.9839	--	4.1818%	--	6.3454%	--	--	1.7751	

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.

### Fountain 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>	51,341	304,469	0	7,766	363,576	12,319,649	3.0%
<i>TIF Total</i>	0	0	0	0	0	688,258	0.0%
<i>County Total</i>	51,341	304,469	0	7,766	363,576	13,007,907	2.8%
Fountain County	9,129	54,914	0	1,717	65,760	3,187,098	2.1%
Cain Township	4	0	0	0	4	12,770	0.0%
Davis Township	0	0	0	0	0	14,978	0.0%
Fulton Township	0	0	0	6	6	23,329	0.0%
Jackson Township	0	0	0	5	5	22,067	0.0%
Logan Township	8	1,497	0	0	1,506	37,082	4.1%
Millcreek Township	29	0	0	31	59	23,070	0.3%
Richland Township	0	0	0	1	1	26,103	0.0%
Shawnee Township	14	0	0	4	18	21,831	0.1%
Troy Township	325	912	0	34	1,271	47,676	2.7%
Van Buren Township	24	434	0	46	503	85,000	0.6%
Wabash Township	27	0	0	9	37	19,492	0.2%
Attica Civil City	262	47,221	0	7	47,489	791,499	6.0%
Covington Civil City	16,090	50,977	0	1,461	68,528	567,729	12.1%
Hillsboro Civil Town	291	0	0	56	347	53,338	0.7%
Kingman Civil Town	39	0	0	44	83	58,709	0.1%
Mellott Civil Town	1	0	0	9	10	12,563	0.1%
Newtown Civil Town	0	0	0	0	0	13,001	0.0%
Veedersburg Civil Town	336	6,166	0	355	6,857	256,108	2.7%
Wallace Civil Town	0	0	0	0	0	733	0.0%
Attica Consolidated School Corp	590	58,227	0	82	58,899	1,962,764	3.0%
Covington Community School Corp	20,600	61,459	0	2,179	84,239	2,107,565	4.0%
Southeast Fountain School Corp	1,458	6,828	0	1,371	9,657	2,397,238	0.4%
Covington Public Library	1,625	5,682	0	213	7,520	187,749	4.0%
Kingman-Millcreek Public Library	55	0	0	59	114	45,875	0.2%
Attica Public Library	43	7,791	0	2	7,836	207,303	3.8%
Fountain County Solid Waste Mgt Dist	392	2,360	0	74	2,826	136,979	2.1%
Veedersburg Redevelopment Comm	0	0	0	0	0	0	
TIF - Veedersburg Redevelopment	0	0	0	0	0	688,258	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.