

# 2009 FRANKLIN COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

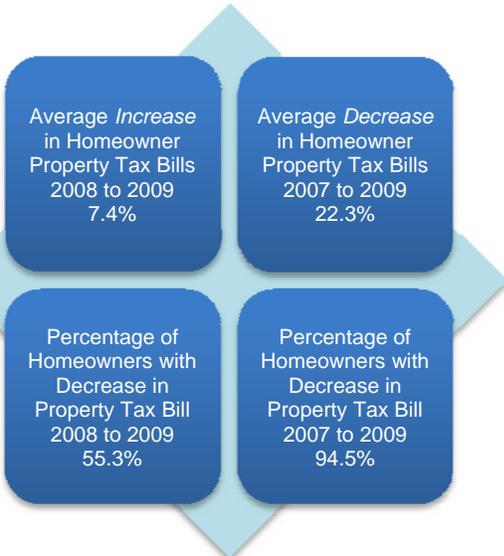


Legislative Services Agency

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 Franklin 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	1,084	18.9%	144	2.5%
10% to 19%	641	11.2%	37	0.6%
1% to 9%	811	14.2%	114	2.0%
0%	23	0.4%	20	0.3%
-1% to -9%	1,714	29.9%	420	7.3%
-10% to -19%	525	9.2%	865	15.1%
-20% to -29%	485	8.5%	2,280	39.8%
-30% to -39%	145	2.5%	814	14.2%
-40% to -49%	51	0.9%	589	10.3%
-50% to -59%	54	0.9%	160	2.8%
-60% to -69%	42	0.7%	76	1.3%
-70% to -79%	33	0.6%	53	0.9%
-80% to -89%	21	0.4%	48	0.8%
-90% to -99%	19	0.3%	25	0.4%
-100%	79	1.4%	82	1.4%
<b>Total</b>	<b>5,727</b>	<b>100.0%</b>	<b>5,727</b>	<b>100.0%</b>
Higher Tax Bill	2,536	44.3%	295	5.2%
No Change	23	0.4%	20	0.3%
Lower Tax Bill	3,168	55.3%	5,412	94.5%
Average Change in Tax Bill	7.4%		-22.3%	

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	Franklin County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-14.2%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-39.8%	-30.6%
State PTRC Percentage, 2008	26.2%	20.1%
Total State Homestead Credit, 2008	46.2%	39.5%
Total State Homestead Credit, 2009	7.2%	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 Franklin County increased by 7.4%. The school general fund and county welfare levies were a larger share of Franklin County's levy in 2008, so their elimination reduced Franklin County tax rates by more than the state average. But Franklin County taxpayers saw a high state homestead credit rate in 2008, which dropped to the state average in 2009. This loss of tax relief more than offset the lower tax rates, causing the

## 2009 Property Tax Changes:

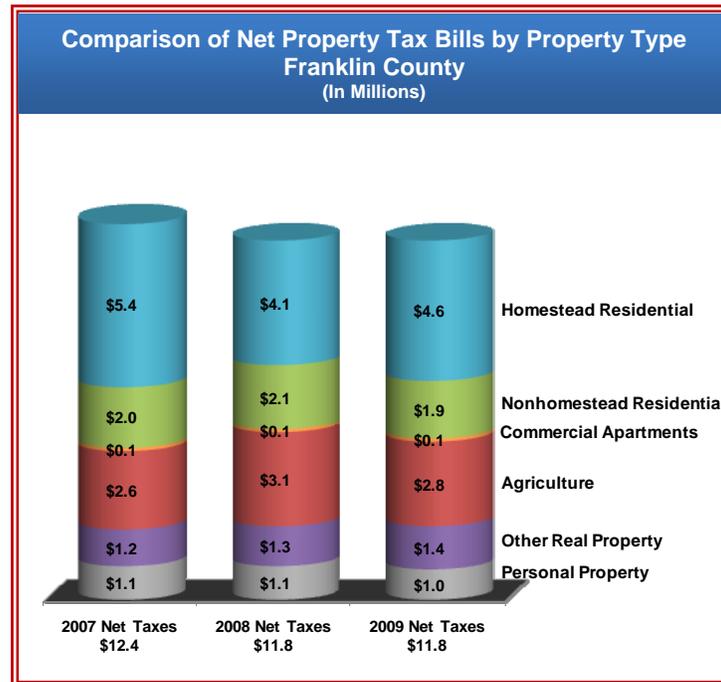
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

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



In Franklin County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 9.5% decline in average property tax bills. There was a 20% increase in total tax bills on commercial apartments. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 9.7% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 7.7%. Personal property, which is largely business equipment, saw a 9.1% 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 Franklin County \$2,275

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



## Franklin 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>\$18,183,897</b>	<b>\$20,140,844</b>	<b>\$12,128,545</b>	<b>10.8%</b>	<b>-39.8%</b>	<b>-6.2%</b>
State Unit	24,150	26,073	0	8.0%	-100.0%	
Franklin County	3,042,807	3,136,346	2,766,897	3.1%	-11.8%	7.8%
Bath Township	8,604	8,760	9,234	1.8%	5.4%	5.4%
Blooming Grove Township	12,310	12,678	13,785	3.0%	8.7%	8.7%
Brookville Township	40,404	41,280	43,661	2.2%	5.8%	5.8%
Butler Township	7,940	7,787	8,469	-1.9%	8.8%	8.8%
Fairfield Township	8,554	8,553	9,402	0.0%	9.9%	9.9%
Highland Township	13,274	13,364	14,352	0.7%	7.4%	7.4%
Laurel Township	15,236	15,790	17,253	3.6%	9.3%	9.3%
Metamora Township	14,931	15,015	16,282	0.6%	8.4%	8.4%
Posey Township	16,117	6,207	6,869	-61.5%	10.7%	10.7%
Ray Township	20,648	19,835	21,877	-3.9%	10.3%	10.3%
Salt Creek Township	8,221	8,416	9,394	2.4%	11.6%	11.6%
Springfield Township	16,084	16,559	17,847	3.0%	7.8%	7.8%
Whitewater Township	32,096	31,322	34,654	-2.4%	10.6%	10.6%
Batesville Civil City	457,023	494,151	472,543	8.1%	-4.4%	-3.1%
Cedar Grove Civil Town	3,113	3,383	2,843	8.7%	-16.0%	-16.0%
Laurel Civil Town	28,684	30,458	32,431	6.2%	6.5%	6.5%
Mt. Carmel Civil Town	0	0	0	0.0%	0.0%	0.0%
Oldenburg Civil Town	120,190	121,053	117,690	0.7%	-2.8%	-2.8%
Brookville Civil Town	499,927	494,482	525,302	-1.1%	6.2%	6.2%
Franklin County Community School Corporation	9,402,754	10,811,711	5,171,994	15.0%	-52.2%	-16.7%
Batesville Community School Corporation	3,342,308	3,625,431	1,725,543	8.5%	-52.4%	-3.8%
Union County School Corporation	347,333	478,175	347,272	37.7%	-27.4%	16.3%
Whitewater Valley Community Library	468,269	469,170	495,019	0.2%	5.5%	5.5%
Batesville Public Library	121,230	129,690	128,565	7.0%	-0.9%	-0.9%
Southwest Franklin Co. Fire Territory	0	0	0	0.0%	0.0%	0.0%
Southeastern Indiana Solid Waste Mtg. District	111,690	115,155	119,367	3.1%	3.7%	3.7%

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.

## Franklin 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	Rate-Real	2008	2009	2008	2009
Bath Township	28.3	27.2	-4.2%	572,461	440,561	-23.0%	2.0194	1.6222	23.16%	41.56%	7.21%	0.00%	0.00%
Blooming Grove Township	47.0	38.1	-18.8%	885,679	485,181	-45.2%	1.8861	1.2726	25.14%	43.98%	7.21%	0.00%	0.00%
Brookville Township	159.5	140.2	-12.1%	2,994,417	1,764,759	-41.1%	1.8778	1.2585	25.06%	43.60%	7.21%	0.00%	0.00%
Brookville Town	91.0	82.8	-8.9%	2,197,377	1,559,832	-29.0%	2.4152	1.8828	24.36%	50.96%	7.21%	0.00%	0.00%
Butler Township-East	20.4	17.0	-16.5%	359,934	191,644	-46.8%	1.7678	1.1270	26.27%	44.28%	7.21%	0.00%	0.00%
Butler Township-West	16.4	14.6	-10.9%	241,885	145,744	-39.7%	1.4743	0.9972	30.55%	47.05%	7.21%	0.00%	0.00%
Fairfield Township	34.4	31.1	-9.4%	647,183	394,246	-39.1%	1.8840	1.2664	25.14%	43.95%	7.21%	0.00%	0.00%
Highland Township	57.8	50.2	-13.1%	1,025,431	569,663	-44.4%	1.7749	1.1353	26.24%	44.37%	7.21%	0.00%	0.00%
Cedar Grove Town	5.1	4.3	-16.0%	92,923	50,811	-45.3%	1.8351	1.1940	26.17%	45.67%	7.21%	0.00%	0.00%
Laurel Township	34.3	29.1	-15.1%	651,093	374,687	-42.5%	1.8986	1.2873	25.12%	44.21%	7.21%	0.00%	0.00%
Laurel Town	8.4	6.8	-19.1%	188,906	118,876	-37.1%	2.2483	1.7481	24.77%	49.71%	7.21%	0.00%	0.00%
Metamora Township	39.3	34.6	-11.9%	745,795	444,534	-40.4%	1.8973	1.2832	25.09%	44.10%	7.21%	0.00%	0.00%
Posey Township	28.9	24.1	-16.5%	542,894	304,802	-43.9%	1.8806	1.2647	25.16%	43.92%	7.21%	0.00%	0.00%
Ray Township	34.8	30.1	-13.5%	532,492	320,811	-39.8%	1.5317	1.0668	30.07%	47.76%	7.21%	0.00%	0.00%
Batesville City	111.7	89.6	-19.8%	2,192,506	1,415,562	-35.4%	1.9620	1.5799	27.08%	50.91%	7.21%	0.00%	0.00%
Oldenburg Town	21.5	16.5	-23.2%	373,652	222,586	-40.4%	1.7383	1.3480	28.91%	50.87%	7.21%	0.00%	0.00%
Salt Creek Township-North	14.3	11.7	-17.9%	254,244	133,831	-47.4%	1.7763	1.1394	26.29%	44.54%	7.21%	0.00%	0.00%
Salt Creek Township-South	7.5	6.4	-14.6%	110,926	64,517	-41.8%	1.4828	1.0096	30.55%	47.36%	7.21%	0.00%	0.00%
Springfield Township	59.8	55.1	-7.9%	1,064,942	628,446	-41.0%	1.7804	1.1402	26.22%	44.45%	7.21%	0.00%	0.00%
Mt. Carmel Town	1.8	1.7	-7.1%	32,485	19,211	-40.9%	1.7656	1.1238	26.39%	44.55%	7.21%	0.00%	0.00%
Whitewater Township	140.5	117.9	-16.1%	2,493,655	1,341,032	-46.2%	1.7754	1.1377	26.29%	44.51%	7.21%	0.00%	0.00%
Ray Township Fire Territory	73.5	61.3	-16.6%	1,160,999	685,809	-40.9%	1.5796	1.1192	29.03%	46.39%	7.21%	0.00%	0.00%
Salt Creek South Fire Territory	22.1	18.2	-17.7%	338,874	193,547	-42.9%	1.5340	1.0650	29.43%	45.99%	7.21%	0.00%	0.00%
Butler West Fire Territory	25.6	21.3	-17.0%	391,462	224,537	-42.6%	1.5281	1.0663	29.45%	45.82%	7.21%	0.00%	0.00%
Butler East Fire Territory	1.8	1.8	0.6%	32,091	21,010	-34.5%	1.8216	1.1861	25.47%	43.42%	7.21%	0.00%	0.00%
Salt Creek North Fire Territory	0.9	0.8	-15.0%	16,799	9,339	-44.4%	1.8275	1.1948	25.48%	43.55%	7.21%	0.00%	0.00%
<b>County Totals/Averages</b>	<b>1,086.4</b>	<b>932.5</b>	<b>-14.2%</b>	<b>20,141,104</b>	<b>12,125,577</b>	<b>-39.8%</b>	<b>1.8540</b>	<b>1.3006</b>	<b>26.18%</b>	<b>46.21%</b>	<b>7.21%</b>	<b>0.00%</b>	<b>0.00%</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.

## Franklin 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	
Franklin County	2,766,897	30	0	0	399	428
Bath Township	9,234	0	0	0	0	0
Blooming Grove Township	13,785	0	0	0	0	0
Brookville Township	43,661	1	0	0	7	8
Butler Township	8,469	0	0	0	0	0
Fairfield Township	9,402	0	0	0	0	0
Highland Township	14,352	0	0	0	0	0
Laurel Township	17,253	0	0	0	0	0
Metamora Township	16,282	0	0	0	2	2
Posey Township	6,869	0	0	0	0	0
Ray Township	21,877	0	0	0	7	7
Salt Creek Township	9,394	0	0	0	0	0
Springfield Township	17,847	0	0	0	0	0
Whitewater Township	34,654	0	0	0	0	0
Batesville Civil City	472,543	0	0	0	168	168
Cedar Grove Civil Town	2,843	0	0	0	0	0
Laurel Civil Town	32,431	0	0	0	0	0
Mt. Carmel Civil Town	0	0	0	0	0	0
Oldenburg Civil Town	117,690	0	0	0	115	115
Brookville Civil Town	525,302	63	0	0	288	351
Franklin County Community School Corporation	5,171,994	80	0	0	405	484
Batesville Community School Corporation	1,725,543	0	0	0	560	560
Union County School Corporation	347,272	0	0	0	0	0
Whitewater Valley Community Library	495,019	13	0	0	65	78
Batesville Public Library	128,565	0	0	0	54	54
Southwest Franklin County Fire Territory	0	0	0	0	0	0
Southeastern Indiana Solid Waste Management	119,367	1	0	0	17	18
<b>Total - All Taxing Units</b>	<b>12,128,545</b>	<b>188</b>	<b>0</b>	<b>0</b>	<b>2,087</b>	<b>2,275</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.