

2009 FULTON COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

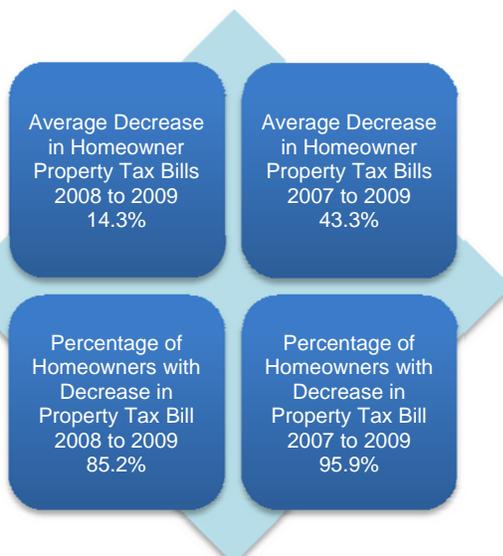


Legislative Services Agency

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 Fulton 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	196	3.9%	105	2.1%
10% to 19%	93	1.8%	31	0.6%
1% to 9%	416	8.3%	33	0.7%
0%	43	0.9%	38	0.8%
-1% to -9%	621	12.3%	81	1.6%
-10% to -19%	976	19.4%	148	2.9%
-20% to -29%	1,014	20.1%	282	5.6%
-30% to -39%	711	14.1%	623	12.4%
-40% to -49%	339	6.7%	1,038	20.6%
-50% to -59%	171	3.4%	1,140	22.6%
-60% to -69%	104	2.1%	719	14.3%
-70% to -79%	88	1.7%	346	6.9%
-80% to -89%	58	1.2%	191	3.8%
-90% to -99%	44	0.9%	96	1.9%
-100%	164	3.3%	165	3.3%
Total	5,038	100.0%	5,036	100.0%
Higher Tax Bill	705	14.0%	169	3.4%
No Change	43	0.9%	38	0.8%
Lower Tax Bill	4,290	85.2%	4,829	95.9%
Average Change in Tax Bill	-14.3%		-43.3%	

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	Fulton County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-8.2%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-35.9%	-30.6%
State PTRC Percentage, 2008	23.5%	20.1%
Total State Homestead Credit, 2008	44.8%	39.5%
Total State Homestead Credit, 2009	8.4%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	Yes	

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 Fulton County decreased by 14.3%. Fulton County tax rates dropped by more than the state average because its taxable assessed value fell less and its levy fell more than in most counties. Fulton County homeowners saw a large homestead credit rate in 2008. The phaseout of this rate offset the lower Fulton County tax rates. But Fulton County adopted a local option income tax for property tax relief in 2009, which is

2009 Property Tax Changes:

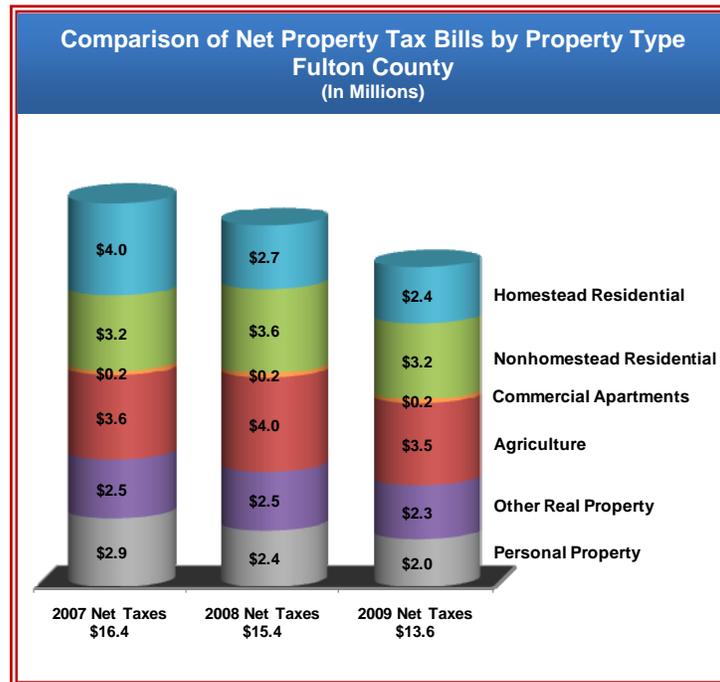
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

the main cause of the tax cut its homeowners received. Few elderly Fulton County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Fulton County, as they were in most Indiana counties.



In Fulton County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw an 11.1% decline in average property tax bills. There was an 18% decrease in average tax bills on commercial apartments. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 12.5% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 8.0%. Personal property, which is largely business equipment, saw a 16.7% decrease in average tax bills.

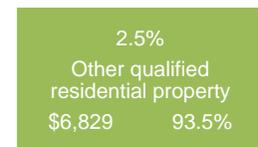
Circuit Breaker Tax Caps. Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, and 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 Fulton County \$7,302

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



Fulton 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	\$23,040,269	\$23,651,403	\$15,135,589	2.7%	-36.0%	-3.2%
State Unit	20,814	24,206	0	16.3%	-100.0%	
Fulton County	5,449,678	4,763,447	3,646,338	-12.6%	-23.5%	1.6%
Aubbeenaubbee Township	48,247	50,306	51,954	4.3%	3.3%	3.3%
Henry Township	65,358	67,265	70,283	2.9%	4.5%	4.5%
Liberty Township	37,316	39,722	40,465	6.4%	1.9%	1.9%
Newcastle Township	44,772	46,880	46,929	4.7%	0.1%	0.1%
Richland Township	29,708	30,825	29,566	3.8%	-4.1%	-4.1%
Rochester Township	154,782	159,137	168,847	2.8%	6.1%	6.1%
Union Township	64,886	67,088	69,289	3.4%	3.3%	3.3%
Wayne Township	44,183	46,027	47,181	4.2%	2.5%	2.5%
Rochester Civil City	2,241,374	2,286,493	2,248,770	2.0%	-1.6%	-0.2%
Akron Civil Town	188,873	195,663	198,872	3.6%	1.6%	1.6%
Fulton Civil Town	36,917	37,558	40,637	1.7%	8.2%	8.2%
Kewanna Civil Town	164,474	167,106	172,812	1.6%	3.4%	3.4%
Rochester Community School Corporation	7,561,053	8,264,304	3,763,764	9.3%	-54.5%	-8.2%
Caston School Corporation	2,160,394	2,228,268	1,054,900	3.1%	-52.7%	3.7%
Tippecanoe Valley School Corporation	2,402,731	2,717,852	1,462,004	13.1%	-46.2%	-11.3%
Culver Community School Corporation	374,019	416,273	195,345	11.3%	-53.1%	-9.8%
Eastern Pulaski Community School Corporation	261,696	255,793	147,783	-2.3%	-42.2%	18.2%
Akron Carnegie Public Library	209,595	226,413	215,848	8.0%	-4.7%	-4.7%
Kewanna Public Library	71,350	74,906	76,335	5.0%	1.9%	1.9%
Fulton County Public Library	945,815	1,021,931	1,047,911	8.0%	2.5%	2.5%
Fulton County Solid Waste Management Dist.	0	0	0	0.0%	0.0%	0.0%
Fulton County Airport Authority	462,234	463,940	339,756	0.4%	-26.8%	-26.8%

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.

Fulton 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
Aubbeenaubbee Township	58.1	52.3	-10.0%	929,801	551,428	-40.7%	1.6013	1.0552	23.21%	46.60%	8.36%	16.70%	44.62%
Henry Township	81.8	76.6	-6.3%	2,044,151	1,426,139	-30.2%	2.4988	1.8606	21.53%	41.07%	8.36%	11.40%	26.30%
Akron Town	27.0	21.9	-18.8%	853,232	579,472	-32.1%	3.1624	2.6456	20.68%	45.52%	8.36%	15.47%	34.22%
Liberty Township	77.5	75.2	-3.1%	1,639,280	958,672	-41.5%	2.1139	1.2755	28.08%	46.47%	8.36%	9.43%	24.81%
Fulton Town	4.1	3.0	-27.3%	121,514	77,323	-36.4%	2.9884	2.6161	25.46%	52.69%	8.36%	1.74%	9.30%
Newcastle Township	51.7	50.7	-2.0%	1,255,274	897,737	-28.5%	2.4267	1.7713	21.93%	41.14%	8.36%	7.30%	18.02%
Richland Township	64.3	59.5	-7.5%	1,295,914	763,695	-41.1%	2.0154	1.2838	24.29%	42.51%	8.36%	23.31%	52.56%
Rochester Township	190.8	167.9	-12.0%	3,889,592	2,215,322	-43.0%	2.0383	1.3195	24.23%	42.79%	8.36%	10.74%	27.34%
Rochester City	343.7	310.0	-9.8%	9,076,015	6,096,779	-32.8%	2.6408	1.9664	22.26%	46.20%	8.36%	13.01%	29.07%
Kewanna Town	11.2	10.6	-5.5%	393,979	305,305	-22.5%	3.5158	2.8843	23.74%	52.63%	8.36%	20.13%	50.68%
Wayne Township	62.4	61.3	-1.9%	1,335,851	796,178	-40.4%	2.1396	1.2994	27.84%	46.34%	8.36%	53.67%	97.11%
Union Twp - Rochester Schools	25.7	24.9	-3.0%	532,347	329,982	-38.0%	2.0728	1.3249	24.36%	43.77%	8.36%	16.79%	40.13%
Union Twp - Eastern Pulaski Schools	23.8	24.0	0.8%	515,526	326,428	-36.7%	2.1646	1.3600	26.59%	46.52%	8.36%	15.78%	43.62%
Union Twp - Caston Schools	10.5	10.6	0.5%	228,170	139,058	-39.1%	2.1659	1.3132	27.99%	47.37%	8.36%	8.61%	22.00%
County Totals/Averages	1,032.7	948.4	-8.2%	24,110,645	15,463,520	-35.9%	2.3451	1.6305	23.53%	44.76%	8.36%	13.82%	31.39%

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 - 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.

Fulton 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	
Fulton County	3,646,338	0	931	0	112	1,043
Aubbeenaubbee Township	51,954	0	0	0	0	0
Henry Township	70,283	0	0	0	1	1
Liberty Township	40,465	0	0	0	0	0
Newcastle Township	46,929	0	0	0	0	0
Richland Township	29,566	0	0	0	0	0
Rochester Township	168,847	0	0	0	15	15
Union Township	69,289	0	121	0	0	121
Wayne Township	47,181	0	0	0	0	0
Rochester Civil City	2,248,770	0	0	0	69	69
Akron Civil Town	198,872	0	18	0	23	41
Fulton Civil Town	40,637	0	0	0	0	0
Kewanna Civil Town	172,812	0	3,834	0	0	3,834
Union Township School Corporation	0	0	0	0	0	0
Rochester Community School Corporation	3,763,764	0	0	0	173	173
Caston School Corporation	1,054,900	0	1,543	0	0	1,543
Tippecanoe Valley School Corporation	1,462,004	0	23	0	29	52
Culver Community School Corporation	195,345	0	0	0	0	0
Eastern Pulaski Community School Corporation	147,783	0	0	0	0	0
Akron Carnegie Public Library	215,848	0	5	0	6	11
Kewanna Public Library	76,335	0	267	0	0	267
Fulton County Public Library	1,047,911	0	0	0	35	35
Fulton County Solid Waste Management District	0	0	0	0	0	0
Fulton County Airport Authority	339,756	0	87	0	10	97
Total - All Taxing Units	15,135,589	0	6,829	0	473	7,302

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.