

# 2010 Property Tax Report

## Fulton County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Fulton 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 Fulton 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 Fulton County

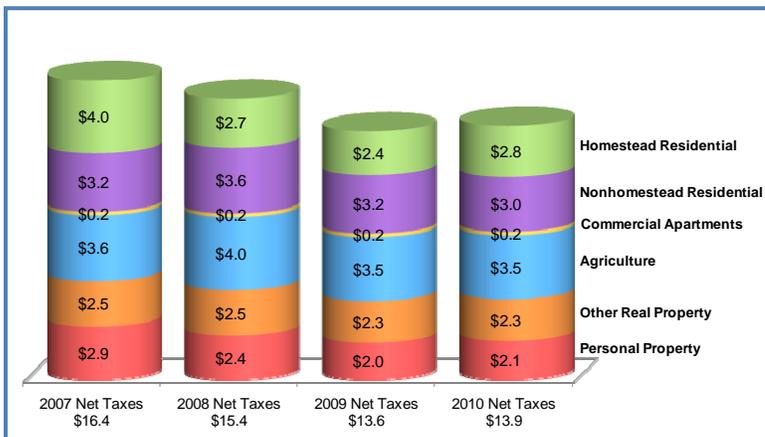
	2009 to 2010		2007 to 2010		
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total	
<b>Summary Change in Tax Bill</b>					
Higher Tax Bill	3,435	67.6%	432	8.5%	90.7% of homeowners saw lower tax bills in 2010 than in 2007.
No Change	302	5.9%	38	0.7%	
Lower Tax Bill	1,343	26.4%	4,610	90.7%	
<b>Average Change in Tax Bill</b>	<b>12.8%</b>		<b>-35.8%</b>		
<b>Detailed Change in Tax Bill</b>					
20% or More	1,594	31.4%	228	4.5%	67.6% of homeowners saw tax increases of 1% or more from 2009 to 2010.
10% to 19%	884	17.4%	81	1.6%	
1% to 9%	957	18.8%	123	2.4%	
0%	302	5.9%	38	0.7%	
-1% to -9%	611	12.0%	184	3.6%	The largest percentage of homeowners have seen between a 30% and 59% decrease in their tax bills from 2007 to 2010.
-10% to -19%	314	6.2%	321	6.3%	
-20% to -29%	150	3.0%	483	9.5%	
-30% to -39%	98	1.9%	721	14.2%	
-40% to -49%	61	1.2%	894	17.6%	
-50% to -59%	36	0.7%	754	14.8%	
-60% to -69%	17	0.3%	464	9.1%	
-70% to -79%	9	0.2%	295	5.8%	
-80% to -89%	8	0.2%	190	3.7%	
-90% to -99%	4	0.1%	80	1.6%	
-100%	35	0.7%	224	4.4%	
<b>Total</b>	<b>5,080</b>	<b>100.0%</b>	<b>5,080</b>	<b>100.0%</b>	

Note: Percentages may not total due to rounding.

### Fulton County Overview

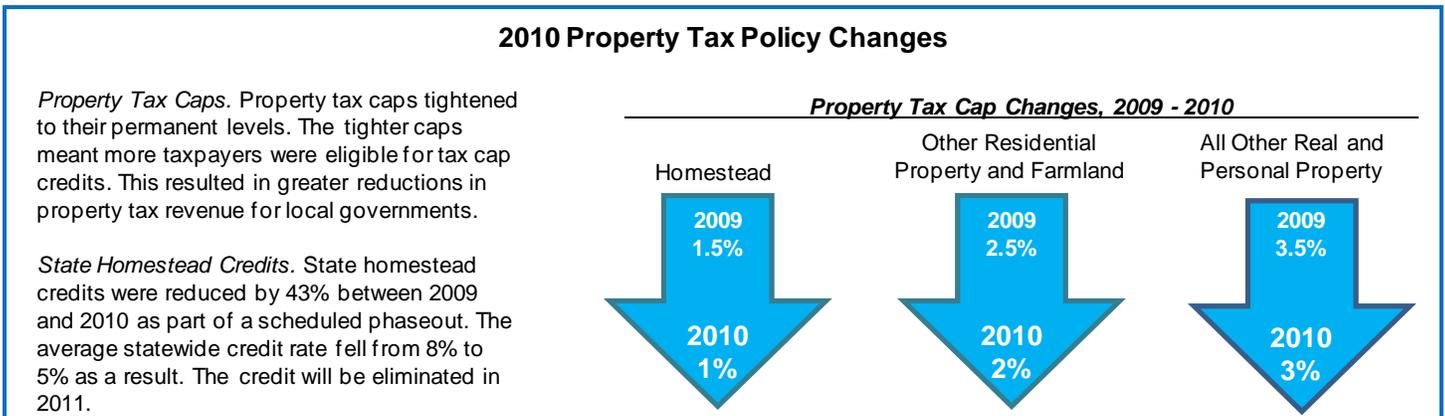
The larger-than-average increase in homeowner tax bills had several causes. The county saw a small decrease in local homestead property tax credit rates, because of a decrease in the local income tax revenues which fund these credits. The portion of homestead property assessed value that does not qualify for the standard deduction or for state and local homestead credits increased by an average of 15%, so homeowner deductions and credits were calculated on a smaller base in 2010. Fulton County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because of the county's still substantial property tax credits for homeowners. Property tax levies increased 3.1% in Fulton County in 2010, slightly more than the statewide increase of 2.4%. The largest levy increases were for the Rochester City general fund and several Tippecanoe Valley School Corporation funds.

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



Net tax bills for all taxpayers increased 2.3% in Fulton County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 2.6% 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 6.8% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 0.3% decrease and a 4.5% increase,

respectively, in tax bills in 2010. These changes in tax bills were partly due to the increase in Fulton County property tax levies and partly due to changes in assessed value. After deductions and exemptions, business real property net assessed value declined by 1.0%, while personal property net assessed value grew by 3.4%. Commercial and industrial property did not benefit from the tightened tax caps, because Fulton County's tax rates were not high enough for this type of property to qualify for tax cap credits. Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw only a 0.4% increase in tax payments in 2010, partly because of the smaller overall increase in agricultural AV and partly because of declining tax rates in several rural taxing districts.



### Tax Cap Credits

Tax cap credits in Fulton County in 2010 amounted to 0.4% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to much lower-than-average tax rates and large local homestead credits in Fulton County. Only 3 out of 14 total district tax rates were greater than \$2. Nonhomestead residential property in the 2% cap category received a small amount of credits. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Fulton County tax rates were less than \$3. Neither Fulton County tax rates nor home values were high enough for more than one homestead to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category  
Fulton County Total \$64,563**

1%	2%	3%	Elderly
\$11	\$59,226	\$0	\$5,326
0.0%	91.7%	0.0%	8.3%

The Tippecanoe Valley School Corporation and the towns of Akron and Kewanna saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Akron lost the most at 6.2%.

### The Effects of Recession

In Fulton County the recession has had an effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 5.0% in December 2007 to 12.5% in July 2009. Job losses and income declines contributed to a 2.3% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Fulton County in 2010.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	637,453,900	648,665,870	1.8%
Other Residential	162,647,150	165,805,500	1.9%
Ag Business/Land	259,234,800	261,128,510	0.7%
Business Real/Personal	298,264,781	302,427,710	1.4%
<b>Total</b>	<b>\$1,357,600,631</b>	<b>\$1,378,027,590</b>	<b>1.5%</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. 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 Fulton County, the gross assessed value of business real and personal property increased 1.4% in 2010. Other assessment categories increased, and total gross assessed value in Fulton County rose 1.5%. This was higher than 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.

### Fulton County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	23,040,269	23,651,403	15,135,589	15,603,983	2.7%	-36.0%	3.1%
State Unit	20,814	24,206	0	0	16.3%	-100.0%	
Fulton County	5,449,678	4,763,447	3,646,338	3,652,894	-12.6%	-23.5%	0.2%
Aubbeenaubbee Township	48,247	50,306	51,954	47,294	4.3%	3.3%	-9.0%
Henry Township	65,358	67,265	70,283	72,182	2.9%	4.5%	2.7%
Liberty Township	37,316	39,722	40,465	41,617	6.4%	1.9%	2.8%
Newcastle Township	44,772	46,880	46,929	46,678	4.7%	0.1%	-0.5%
Richland Township	29,708	30,825	29,566	31,111	3.8%	-4.1%	5.2%
Rochester Township	154,782	159,137	168,847	173,712	2.8%	6.1%	2.9%
Union Township	64,886	67,088	69,289	67,385	3.4%	3.3%	-2.7%
Wayne Township	44,183	46,027	47,181	45,771	4.2%	2.5%	-3.0%
Rochester Civil City	2,241,374	2,286,493	2,248,770	2,349,530	2.0%	-1.6%	4.5%
Akron Civil Town	188,873	195,663	198,872	208,234	3.6%	1.6%	4.7%
Fulton Civil Town	36,917	37,558	40,637	41,891	1.7%	8.2%	3.1%
Kewanna Civil Town	164,474	167,106	172,812	178,792	1.6%	3.4%	3.5%
Rochester Community School Corp	7,561,053	8,264,304	3,763,764	3,827,585	9.3%	-54.5%	1.7%
Caston School Corp	2,160,394	2,228,268	1,054,900	1,103,712	3.1%	-52.7%	4.6%
Tippecanoe Valley School Corp	2,402,731	2,717,852	1,462,004	1,672,626	13.1%	-46.2%	14.4%
Culver Community School Corp	374,019	416,273	195,345	212,273	11.3%	-53.1%	8.7%
Eastern Pulaski Community School Corp	261,696	255,793	147,783	146,556	-2.3%	-42.2%	-0.8%
Akron Carnegie Public Library	209,595	226,413	215,848	215,634	8.0%	-4.7%	-0.1%
Kewanna Public Library	71,350	74,906	76,335	76,206	5.0%	1.9%	-0.2%
Fulton County Public Library	945,815	1,021,931	1,047,911	1,043,861	8.0%	2.5%	-0.4%
Fulton County Solid Waste Mgt Dist	0	0	0	0			
Fulton County Airport Authority	462,234	463,940	339,756	348,439	0.4%	-26.8%	2.6%

### Fulton 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	
25001	Aubbeenaubbee Township	1.0502	5.3801%	4.6261%	--	40.3534%	--	--	--	0.5213
25002	Henry Township	1.8489	5.3801%	4.6261%	--	17.5906%	--	--	--	1.3387
25003	Akron Town	2.7287	5.3801%	4.6261%	--	23.8854%	--	--	--	1.8039
25004	Liberty Township	1.2955	5.3801%	4.6261%	--	18.2640%	--	--	--	0.9293
25005	Fulton Town	2.6778	5.3801%	4.6261%	--	3.6041%	--	--	--	2.3133
25006	Newcastle Township	1.7664	5.3801%	4.6261%	--	12.8740%	--	--	--	1.3622
25007	Richland Township	1.2837	5.3801%	4.6261%	--	57.1400%	--	--	--	0.4217
25008	Rochester Township	1.3177	5.3801%	4.6261%	--	21.4210%	--	--	--	0.9036
25009	Rochester City	1.9837	5.3801%	4.6261%	--	22.7388%	--	--	--	1.3341
25011	Kewanna Town	2.9548	5.3801%	4.6261%	--	41.2696%	--	--	--	1.4397
25012	Wayne Township	1.3156	5.3801%	4.6261%	--	95.3739%	--	--	--	0.0000
25013	Union Twp - Rochester Schools	1.3109	5.3801%	4.6261%	--	36.5010%	--	--	--	0.7012
25014	Union Twp - Eastern Pulaski Schools	1.2452	5.3801%	4.6261%	--	42.0017%	--	--	--	0.5976
25015	Union Twp - Caston Schools	1.3220	5.3801%	4.6261%	--	15.9815%	--	--	--	0.9784

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.

### Fulton 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>	11	59,226	0	5,326		64,563	15,603,983	0.4%
<i>TIF Total</i>	0	0	0	0		0	0	
<i>County Total</i>	11	59,226	0	5,326		64,563	15,603,983	0.4%
Fulton County	2	8,137	0	1,141		9,279	3,652,894	0.3%
Aubbeenaubbee Township	0	0	0	0		0	47,294	0.0%
Henry Township	0	241	0	100		342	72,182	0.5%
Liberty Township	0	30	0	12		42	41,617	0.1%
Newcastle Township	0	0	0	7		7	46,678	0.0%
Richland Township	0	0	0	0		0	31,111	0.0%
Rochester Township	0	0	0	39		39	173,712	0.0%
Union Township	0	310	0	30		340	67,385	0.5%
Wayne Township	0	0	0	0		0	45,771	0.0%
Rochester Civil City	0	0	0	525		525	2,349,530	0.0%
Akron Civil Town	0	12,677	0	201		12,878	208,234	6.2%
Fulton Civil Town	6	2,165	0	13		2,184	41,891	5.2%
Kewanna Civil Town	0	10,719	0	27		10,745	178,792	6.0%
Rochester Community School Corp	0	0	0	920		920	3,827,585	0.0%
Caston School Corp	3	5,412	0	161		5,575	1,103,712	0.5%
Tippecanoe Valley School Corp	0	14,945	0	1,540		16,485	1,672,626	1.0%
Culver Community School Corp	0	0	0	2		2	212,273	0.0%
Eastern Pulaski Community School Corp	0	0	0	0		0	146,556	0.0%
Akron Carnegie Public Library	0	2,918	0	284		3,201	215,634	1.5%
Kewanna Public Library	0	693	0	32		725	76,206	1.0%
Fulton County Public Library	1	203	0	184		388	1,043,861	0.0%
Fulton County Solid Waste Mgt Dist	0	0	0	0		0	0	
Fulton County Airport Authority	0	776	0	109		885	348,439	0.3%

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.