

# 2009 GIBSON COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

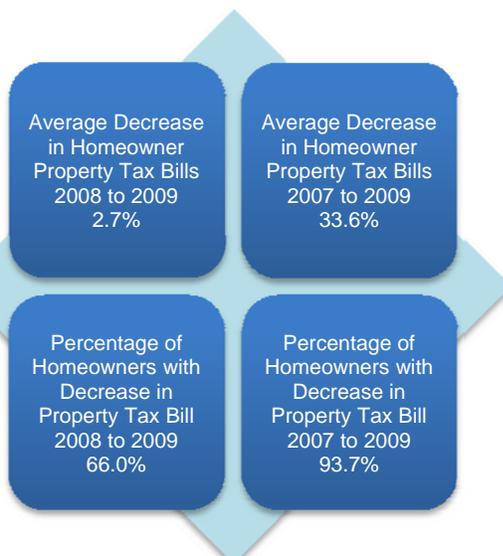


Legislative Services Agency

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 Gibson 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	910	9.8%	172	1.9%
10% to 19%	604	6.5%	64	0.7%
1% to 9%	1,457	15.7%	164	1.8%
0%	176	1.9%	180	1.9%
-1% to -9%	1,734	18.7%	430	4.6%
-10% to -19%	1,863	20.1%	642	6.9%
-20% to -29%	1,101	11.9%	1,322	14.3%
-30% to -39%	483	5.2%	2,024	21.9%
-40% to -49%	162	1.8%	1,882	20.3%
-50% to -59%	111	1.2%	1,255	13.6%
-60% to -69%	115	1.2%	361	3.9%
-70% to -79%	64	0.7%	179	1.9%
-80% to -89%	64	0.7%	123	1.3%
-90% to -99%	45	0.5%	85	0.9%
-100%	363	3.9%	369	4.0%
<b>Total</b>	<b>9,252</b>	<b>100.0%</b>	<b>9,252</b>	<b>100.0%</b>
Higher Tax Bill	2,971	32.1%	400	4.3%
No Change	176	1.9%	180	1.9%
Lower Tax Bill	6,105	66.0%	8,672	93.7%
<b>Average Change in Tax Bill</b>	<b>-2.7%</b>		<b>-33.6%</b>	

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	Gibson County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-0.4%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-27.5%	-30.6%
State PTRC Percentage, 2008	20.7%	20.1%
Total State Homestead Credit, 2008	41.4%	39.5%
Total State Homestead Credit, 2009	7.7%	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 Gibson County decreased by 2.7%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Taxable assessed value dropped less in Gibson County than in most counties, and this reduced tax rates more. But Gibson County local taxing units increased their

levies by more than the state average, partly offsetting the effect of levy elimination. Gibson County did not adopt a local option income tax for property tax relief, and few Gibson County homeowners were eligible for the circuit breaker tax cap credits.

## 2009 Property Tax Changes:

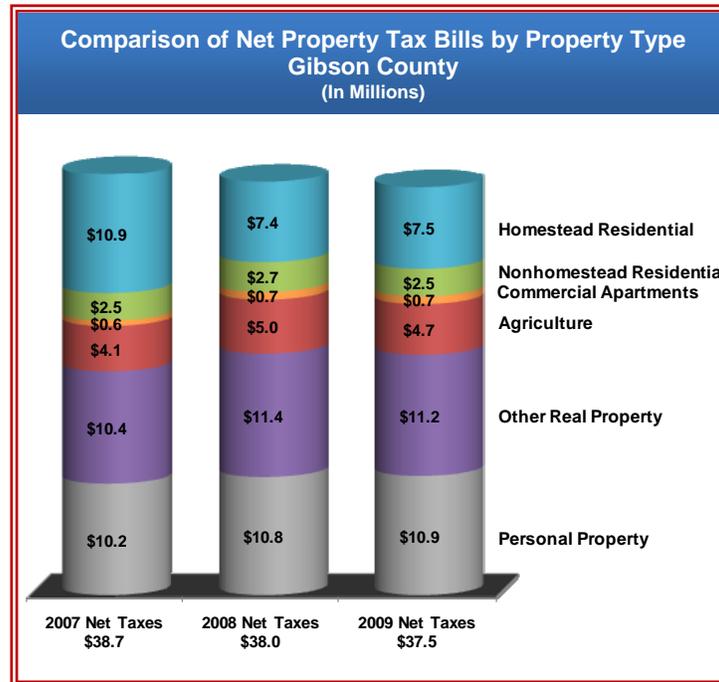
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

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



In Gibson County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 7.4% decline 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 a 6.0% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 1.8%. Personal property, which is largely business equipment, saw a 0.9% increase 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 Gibson County \$309,222

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

1.5 %  
Homestead  
qualifying property  
\$1,169 0.4%

2.5%  
Other qualified  
residential property  
\$299,000 96.7%

3.5%  
All other real and  
personal property  
\$0 0.0%

Elderly  
\$9,053 2.9%

### Gibson 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>\$43,739,199</b>	<b>\$45,562,707</b>	<b>\$33,066,086</b>	<b>4.2%</b>	<b>-27.4%</b>	<b>4.6%</b>
State Unit	36,083	39,188	0	8.6%	-100.0%	
Gibson County	10,238,601	11,193,066	9,545,732	9.3%	-14.7%	4.5%
Barton Township	48,431	49,430	52,054	2.1%	5.3%	5.3%
Center Township	28,306	28,889	27,551	2.1%	-4.6%	-4.6%
Columbia Township	87,867	90,130	94,739	2.6%	5.1%	5.1%
Johnson Township	25,284	25,832	27,209	2.2%	5.3%	5.3%
Montgomery Township	70,930	72,748	75,548	2.6%	3.8%	3.8%
Patoka Township	2,768,420	2,560,693	2,647,986	-7.5%	3.4%	3.4%
Union Township	166,056	169,590	173,069	2.1%	2.1%	2.1%
Wabash Township	30,243	31,259	32,593	3.4%	4.3%	4.3%
Washington Township	22,776	23,172	24,542	1.7%	5.9%	5.9%
White River Township	53,141	54,555	56,597	2.7%	3.7%	3.7%
Princeton Civil City	2,285,577	2,285,406	2,278,151	0.0%	-0.3%	7.1%
Oakland City Civil City	387,402	405,785	420,160	4.7%	3.5%	3.5%
Fort Branch Civil Town	200,977	203,731	233,177	1.4%	14.5%	14.5%
Francisco Civil Town	40,619	39,976	42,726	-1.6%	6.9%	6.9%
Haubstadt Civil Town	538,520	559,739	569,430	3.9%	1.7%	1.7%
Hazelton Civil Town	13,855	14,085	14,539	1.7%	3.2%	3.2%
Mackey Civil Town	10,015	10,195	10,800	1.8%	5.9%	5.9%
Owensville Civil Town	314,024	315,303	319,991	0.4%	1.5%	1.5%
Patoka Civil Town	21,270	21,367	22,940	0.5%	7.4%	7.4%
Somerville Civil Town	1,488	1,542	1,603	3.6%	4.0%	4.0%
East Gibson School Corporation	4,137,304	4,217,608	2,169,560	1.9%	-48.6%	1.7%
North Gibson School Corporation	9,257,853	8,869,309	4,809,943	-4.2%	-45.8%	0.0%
South Gibson School Corporation	10,620,492	11,937,902	6,953,509	12.4%	-41.8%	9.0%
Oakland City-Columbia Township Public Lib.	117,776	121,030	126,999	2.8%	4.9%	4.9%
Owensville Carnegie Library	216,953	222,965	232,313	2.8%	4.2%	4.2%
Fort Branch-Johnson Township Library	275,676	282,316	297,114	2.4%	5.2%	5.2%
Princeton-Patoka Township Public Library	458,276	443,868	466,452	-3.1%	5.1%	5.1%
Owensville-Montgomery Township Fire	286,228	293,961	305,372	2.7%	3.9%	3.9%
Gibson Co Solid Waste Mgt. District	978,756	978,067	1,033,687	-0.1%	5.7%	5.7%
Gibson County Redevelopment Commission	0	0	0	0.0%	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.

## Gibson 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
Barton Township	69.8	66.3	-5.1%	1,754,204	1,141,758	-34.9%	2.5117	1.7222	24.73%	43.82%	7.67%	0.00%	0.00%
Mackey Town	1.8	1.5	-15.2%	54,983	36,719	-33.2%	3.0601	2.4105	23.23%	46.58%	7.67%	0.00%	0.00%
Somerville Town	3.6	2.8	-22.1%	92,064	49,606	-46.1%	2.5253	1.7470	24.71%	43.97%	7.67%	0.00%	0.00%
Center Township	61.1	54.1	-11.4%	1,520,391	917,140	-39.7%	2.4881	1.6944	24.84%	43.74%	7.67%	0.00%	0.00%
Francisco Town	7.4	5.7	-23.3%	224,294	138,863	-38.1%	3.0129	2.4315	23.34%	46.39%	7.67%	0.00%	0.00%
Columbia Township	68.5	59.2	-13.6%	1,824,553	1,136,842	-37.7%	2.6629	1.9197	24.16%	44.44%	7.67%	0.00%	0.00%
Oakland City	40.3	31.5	-21.9%	1,460,669	1,008,252	-31.0%	3.6281	3.2057	21.15%	45.81%	7.67%	0.00%	0.00%
Haubstadt Town	51.9	39.9	-23.1%	1,551,305	987,953	-36.3%	2.9863	2.4731	18.78%	37.33%	7.67%	0.00%	0.00%
Washington Township	38.7	39.3	1.6%	864,289	566,002	-34.5%	2.2325	1.4389	23.98%	45.05%	7.67%	0.00%	0.00%
White River Township	39.7	39.3	-1.0%	908,531	589,938	-35.1%	2.2909	1.5027	23.78%	45.40%	7.67%	0.00%	0.00%
Hazelton Town	3.5	2.6	-27.4%	93,013	51,518	-44.6%	2.6211	1.9995	22.54%	46.31%	7.67%	0.00%	0.00%
Patoka Town	14.2	12.3	-13.8%	337,068	198,205	-41.2%	2.3703	1.6164	23.41%	45.53%	7.67%	0.00%	0.00%
Montgomery Township	355.8	384.8	8.2%	8,888,477	6,762,704	-23.9%	2.4985	1.7573	23.07%	42.86%	7.67%	0.00%	0.00%
Owensville Town	19.0	16.1	-15.1%	695,369	505,160	-27.4%	3.6600	3.1328	20.79%	47.54%	7.67%	0.00%	0.00%
Wabash Township	21.7	24.3	12.1%	546,159	430,677	-21.1%	2.5193	1.7716	23.01%	42.99%	7.67%	0.00%	0.00%
Johnson Township	156.9	142.3	-9.3%	4,043,081	2,667,272	-34.0%	2.5767	1.8741	21.99%	41.04%	7.67%	0.00%	0.00%
Union Township	109.2	92.9	-15.0%	2,727,086	1,662,522	-39.0%	2.4966	1.7902	22.92%	42.42%	7.67%	0.00%	0.00%
Fort Branch Town	57.3	56.2	-1.8%	1,637,919	1,244,348	-24.0%	2.8590	2.2128	22.07%	44.49%	7.67%	0.00%	0.00%
Patoka Township	305.7	369.7	20.9%	8,377,376	7,101,822	-15.2%	2.7402	1.9210	18.20%	36.43%	7.67%	0.00%	0.00%
Princeton City	234.6	212.9	-9.3%	8,753,889	6,406,659	-26.8%	3.7316	3.0098	17.17%	40.93%	7.67%	0.00%	0.00%
<b>County Totals/Averages</b>	<b>1,660.9</b>	<b>1,653.8</b>	<b>-0.4%</b>	<b>46,354,719</b>	<b>33,603,960</b>	<b>-27.5%</b>	<b>2.7904</b>	<b>2.0313</b>	<b>20.69%</b>	<b>41.41%</b>	<b>7.67%</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.

## Gibson 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	
Gibson County	9,545,732	220	57,186	0	2,075	59,481
Barton Township	52,054	0	0	0	8	8
Center Township	27,551	0	0	0	0	0
Columbia Township	94,739	12	1,352	0	33	1,397
Johnson Township	27,209	0	0	0	8	8
Montgomery Township	75,548	0	135	0	13	148
Patoka Township	2,647,986	73	31,009	0	69	31,150
Union Township	173,069	0	0	0	164	164
Wabash Township	32,593	0	0	0	0	0
Washington Township	24,542	0	0	0	0	0
White River Township	56,597	0	0	0	5	5
Princeton Civil City	2,278,151	170	72,795	0	161	73,127
Oakland City Civil City	420,160	283	32,013	0	779	33,075
Fort Branch Civil Town	233,177	0	0	0	487	487
Francisco Civil Town	42,726	0	0	0	0	0
Haubstadt Civil Town	569,430	0	0	0	421	421
Hazleton Civil Town	14,539	0	0	0	0	0
Mackey Civil Town	10,800	0	0	0	0	0
Owensville Civil Town	319,991	14	9,992	0	939	10,945
Patoka Civil Town	22,940	0	0	0	20	20
Somerville Civil Town	1,603	0	0	0	1	1
East Gibson School Corporation	2,169,560	207	23,428	0	676	24,311
North Gibson School Corporation	4,809,943	114	48,512	0	186	48,811
South Gibson School Corporation	6,953,509	9	6,637	0	2,424	9,071
Oakland City-Columbia Township Public Library	126,999	30	3,348	0	81	3,459
Owensville Carnegie Library	232,313	1	393	0	38	431
Fort Branch-Johnson Township Library	297,114	0	0	0	175	175
Princeton-Patoka Township Public Library	466,452	13	5,460	0	12	5,485
Owensville-Montgomery Township Fire	305,372	1	548	0	52	601
Gibson Co Solid Waste Management	1,033,687	24	6,191	0	225	6,439
Gibson County Solid Waste	0	0	0	0	0	0
Gibson County Redevelopment Commission	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>33,066,086</b>	<b>1,169</b>	<b>299,000</b>	<b>0</b>	<b>9,053</b>	<b>309,222</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.