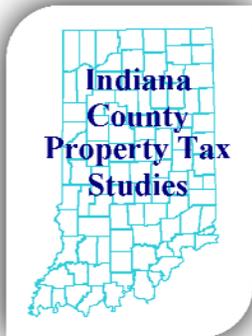


# 2009 HARRISON COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

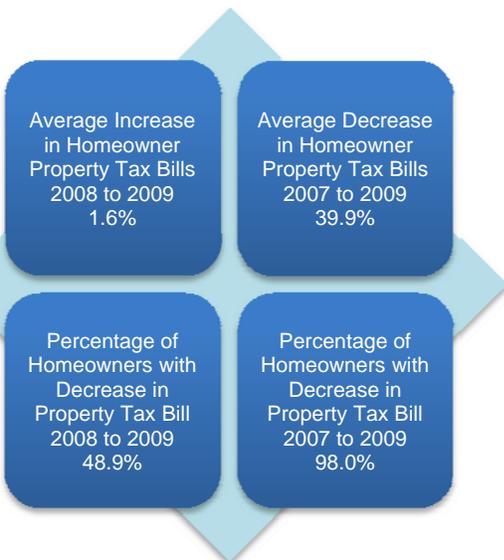


Legislative Services Agency

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 Harrison 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	736	7.4%	94	1.0%
10% to 19%	1,473	14.9%	18	0.2%
1% to 9%	2,806	28.4%	41	0.4%
0%	39	0.4%	42	0.4%
-1% to -9%	1,566	15.8%	86	0.9%
-10% to -19%	1,800	18.2%	225	2.3%
-20% to -29%	600	6.1%	858	8.7%
-30% to -39%	232	2.3%	3,069	31.1%
-40% to -49%	123	1.2%	3,267	33.1%
-50% to -59%	103	1.0%	1,313	13.3%
-60% to -69%	91	0.9%	334	3.4%
-70% to -79%	69	0.7%	190	1.9%
-80% to -89%	61	0.6%	121	1.2%
-90% to -99%	31	0.3%	73	0.7%
-100%	153	1.5%	152	1.5%
<b>Total</b>	<b>9,883</b>	<b>100.0%</b>	<b>9,883</b>	<b>100.0%</b>
Higher Tax Bill	5,015	50.7%	153	1.5%
No Change	39	0.4%	42	0.4%
Lower Tax Bill	4,829	48.9%	9,688	98.0%
Average Change in Tax Bill	1.6%		-39.9%	

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	Harrison County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-14.5%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-39.4%	-30.6%
State PTRC Percentage, 2008	25.5%	20.1%
Total State Homestead Credit, 2008	47.4%	39.5%
Total State Homestead Credit, 2009	7.3%	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 Harrison County increased by 1.6%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were offset by the elimination of the property tax replacement credits and the state homestead credits. In Harrison County, the gross tax levy fell more because school general fund and county welfare fund levies were a larger share of the 2008 total levy. This reduced tax rates. But

Harrison County taxpayers saw high state property tax replacement and homestead credit rates in 2008. This loss of tax relief more than offset the effects of the lower tax rates. Harrison County did not adopt a local option income tax for property tax

## 2009 Property Tax Changes:

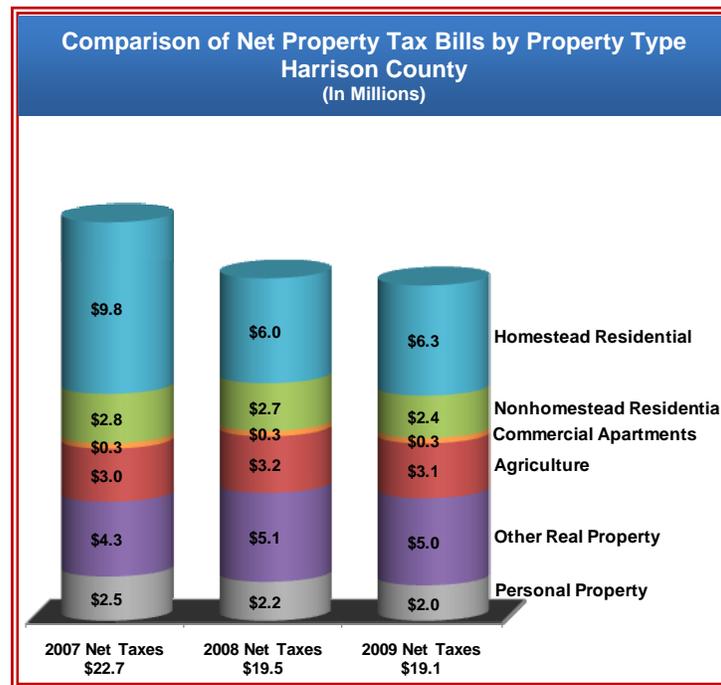
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

relief, and few elderly Harrison County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Harrison County, as they were in almost all Indiana counties



In Harrison 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 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 3.1% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 2.0%. 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 Harrison County \$15,778

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



## Harrison 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>\$31,652,395</b>	<b>\$31,664,754</b>	<b>\$18,993,186</b>	<b>0.0%</b>	<b>-40.0%</b>	<b>-2.9%</b>
State Unit	42,981	45,132	0	5.0%	-100.0%	
Harrison County	6,998,765	7,162,811	5,278,047	2.3%	-26.3%	4.9%
Blue River Township	31,338	32,091	31,082	2.4%	-3.1%	-3.1%
Boone Township	14,841	15,879	17,002	7.0%	7.1%	7.1%
Franklin Township	44,659	51,960	46,692	16.3%	-10.1%	-10.1%
Harrison Township	190,653	186,743	181,925	-2.1%	-2.6%	-2.6%
Heth Township	8,605	8,672	9,404	0.8%	8.4%	8.4%
Jackson Township	70,105	74,937	66,930	6.9%	-10.7%	-10.7%
Morgan Township	10,025	10,745	11,402	7.2%	6.1%	6.1%
Posey Township	21,546	22,438	23,378	4.1%	4.2%	4.2%
Spencer Township	36,743	38,279	37,615	4.2%	-1.7%	-1.7%
Taylor Township	23,849	24,631	25,354	3.3%	2.9%	2.9%
Washington Township	8,125	9,116	9,426	12.2%	3.4%	3.4%
Webster Township	9,306	20,730	22,690	122.8%	9.5%	9.5%
Milltown Civil Town	47,553	43,967	48,842	-7.5%	11.1%	11.1%
Corydon Civil Town	526,537	544,352	571,565	3.4%	5.0%	5.0%
Crandall Civil Town	2,709	2,672	2,994	-1.4%	12.1%	12.1%
Elizabeth Civil Town	3,315	3,306	3,305	-0.3%	0.0%	0.0%
Laconia Civil Town	1,164	856	958	-26.5%	11.9%	11.9%
Lanesville Civil Town	26,830	28,078	29,232	4.7%	4.1%	4.1%
Mauckport Civil Town	2,966	3,247	3,324	9.5%	2.4%	2.4%
New Amsterdam Civil Town	0	0	0	0.0%	0.0%	0.0%
New Middletown Civil Town	0	0	0	0.0%	0.0%	0.0%
Palmyra Civil Town	27,305	29,841	30,846	9.3%	3.4%	3.4%
Crawford County Community School Corporation	115,699	112,136	65,215	-3.1%	-41.8%	-12.8%
Lanesville School Corporation	1,980,088	2,394,416	914,270	20.9%	-61.8%	-32.3%
North Harrison Community School Corporation	6,519,464	6,502,929	3,410,148	-0.3%	-47.6%	-8.9%
South Harrison School Corporation	13,384,633	12,765,084	6,608,224	-4.6%	-48.2%	-1.1%
Harrison County Public Library	1,060,202	1,070,003	1,143,524	0.9%	6.9%	6.9%
Whiskey Run Fire Protection District	11,431	10,411	10,249	-8.9%	-1.6%	-1.6%
Palmyra Fire	87,024	98,136	96,397	12.8%	-1.8%	-1.8%
Heth-Washington Twp. Fire Protection District	45,418	45,872	47,293	1.0%	3.1%	3.1%
Boone Township Fire District	37,016	37,933	40,367	2.5%	6.4%	6.4%
Webster Twp Fire Protection	34,058	36,050	36,665	5.8%	1.7%	1.7%
Harrison County Solid Waste Mgt. District	227,442	231,301	168,821	1.7%	-27.0%	-27.0%

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.

## Harrison 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 Rate-Real	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009		2008	2009	2008	2009
Blue River Township	59.2	48.0	-18.9%	1,072,274	646,643	-39.7%	1.8116	1.3477	25.49%	48.10%	7.27%	0.00%	0.00%
Milltown Town-Blue River Township	6.5	4.8	-26.8%	205,072	142,549	-30.5%	3.1431	2.9837	21.02%	49.87%	7.27%	0.00%	0.00%
Boone Township	57.7	50.9	-11.8%	934,633	587,931	-37.1%	1.6192	1.1547	26.03%	48.05%	7.27%	0.00%	0.00%
Laconia Town	1.1	0.9	-15.5%	18,482	11,600	-37.2%	1.6978	1.2607	25.69%	49.02%	7.27%	0.00%	0.00%
Franklin Township	170.0	131.6	-22.6%	2,967,550	1,425,387	-52.0%	1.7456	1.0828	22.59%	44.16%	7.27%	0.00%	0.00%
Lanesville Town	20.9	16.1	-22.7%	388,002	200,716	-48.3%	1.8578	1.2437	22.49%	45.96%	7.27%	0.00%	0.00%
Harrison Township	507.5	426.2	-16.0%	7,904,466	4,584,173	-42.0%	1.5575	1.0757	26.22%	46.93%	7.27%	0.00%	0.00%
Corydon Town	137.5	127.4	-7.3%	2,690,439	1,958,154	-27.2%	1.9567	1.5366	24.97%	52.15%	7.27%	0.00%	0.00%
Heth Township	47.8	42.9	-10.2%	770,398	489,307	-36.5%	1.6112	1.1399	26.03%	47.84%	7.27%	0.00%	0.00%
Mauckport Town	1.8	1.6	-12.0%	32,187	21,401	-33.5%	1.7920	1.3544	25.12%	49.47%	7.27%	0.00%	0.00%
Jackson Township	219.0	168.3	-23.1%	3,927,915	2,230,613	-43.2%	1.7937	1.3250	25.61%	48.03%	7.27%	0.00%	0.00%
Crandall Town	2.9	2.3	-20.3%	53,147	32,551	-38.8%	1.8633	1.4320	25.73%	49.87%	7.27%	0.00%	0.00%
Morgan Township	118.2	95.8	-19.0%	2,169,450	1,320,105	-39.2%	1.8355	1.3782	25.46%	48.54%	7.27%	0.00%	0.00%
Palmyra Town	25.7	21.6	-16.1%	501,975	328,833	-34.5%	1.9519	1.5239	25.12%	49.92%	7.27%	0.00%	0.00%
Posey Township	332.8	320.3	-3.8%	5,106,917	3,361,225	-34.2%	1.5344	1.0494	26.54%	47.18%	7.27%	0.00%	0.00%
Elizabeth Town	4.2	3.1	-25.8%	67,955	36,129	-46.8%	1.6096	1.1540	26.28%	48.49%	7.27%	0.00%	0.00%
Spencer Township	74.2	63.2	-14.8%	1,343,471	850,014	-36.7%	1.8113	1.3452	25.56%	48.29%	7.27%	0.00%	0.00%
Milltown Town-Spencer Township	0.2	0.1	-33.1%	4,874	3,090	-36.6%	3.1404	2.9784	21.05%	49.93%	7.27%	0.00%	0.00%
Taylor Township	30.3	27.7	-8.8%	488,302	314,091	-35.7%	1.6092	1.1354	25.37%	45.95%	7.27%	0.00%	0.00%
Washington Township	19.5	17.8	-8.3%	318,903	208,733	-34.5%	1.6394	1.1703	25.92%	48.25%	7.27%	0.00%	0.00%
New Amsterdam Town	0.5	0.7	27.2%	8,719	7,916	-9.2%	1.6394	1.1703	25.92%	48.25%	7.27%	0.00%	0.00%
Webster Township	63.6	54.4	-14.5%	1,026,674	625,442	-39.1%	1.6148	1.1503	26.11%	48.16%	7.27%	0.00%	0.00%
New Middletown Town	1.7	1.5	-13.0%	27,673	17,148	-38.0%	1.6148	1.1503	26.11%	48.16%	7.27%	0.00%	0.00%
Milltown Town-Spencer Township	0.4	0.2	-36.3%	9,182	5,559	-39.5%	2.6166	2.4878	22.99%	53.11%	7.27%	0.00%	0.00%
<b>County Totals/Averages</b>	<b>1,903.1</b>	<b>1,627.4</b>	<b>-14.5%</b>	<b>32,038,661</b>	<b>19,409,311</b>	<b>-39.4%</b>	<b>1.6839</b>	<b>1.1926</b>	<b>25.49%</b>	<b>47.36%</b>	<b>7.27%</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.

## Harrison 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	
Harrison County	5,278,047	0	1,110	0	1,376	2,486
Blue River Township	31,082	0	97	0	15	111
Boone Township	17,002	0	0	0	5	5
Franklin Township	46,692	0	0	0	0	0
Harrison Township	181,925	0	0	0	50	50
Heth Township	9,404	0	0	0	1	1
Jackson Township	66,930	0	0	0	30	30
Morgan Township	11,402	0	0	0	11	11
Posey Township	23,378	0	0	0	1	1
Spencer Township	37,615	0	0	0	4	4
Taylor Township	25,354	0	0	0	0	0
Washington Township	9,426	0	0	0	0	0
Webster Township	22,690	0	0	0	7	7
Milltown Civil Town	48,842	0	3,267	0	20	3,286
Corydon Civil Town	571,565	0	0	0	625	625
Crandall Civil Town	2,994	0	0	0	1	1
Elizabeth Civil Town	3,305	0	0	0	0	0
Laconia Civil Town	958	0	0	0	0	0
Lanesville Civil Town	29,232	0	0	0	0	0
Mauckport Civil Town	3,324	0	0	0	0	0
New Amsterdam Civil Town	0	0	0	0	0	0
New Middletown Civil Town	0	0	0	0	0	0
Palmyra Civil Town	30,846	0	0	0	32	32
Crawford County Community School Corporation	65,215	0	4,561	0	27	4,589
Lanesville School Corporation	914,270	0	0	0	0	0
North Harrison Community School Corporation	3,410,148	0	0	0	1,867	1,867
South Harrison School Corporation	6,608,224	0	0	0	1,249	1,249
Harrison County Public Library	1,143,524	0	241	0	298	539
Whiskey Run Fire Protection District	10,249	0	685	0	4	690
Palmyra Fire	96,397	0	0	0	93	93
Heth-Washington Township Fire Protection District	47,293	0	0	0	2	2
Boone Township Fire District	40,367	0	0	0	11	11
Harrison County Solid Waste	168,821	0	35	0	44	79
Webster Township Fire Protection District	36,665	0	0	0	11	11
Morgan Township Fire District	0	0	0	0	0	0
<b>Total - All Taxing Units</b>	<b>18,993,186</b>	<b>0</b>	<b>9,996</b>	<b>0</b>	<b>5,782</b>	<b>15,778</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.