

# 2009 HENRY COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

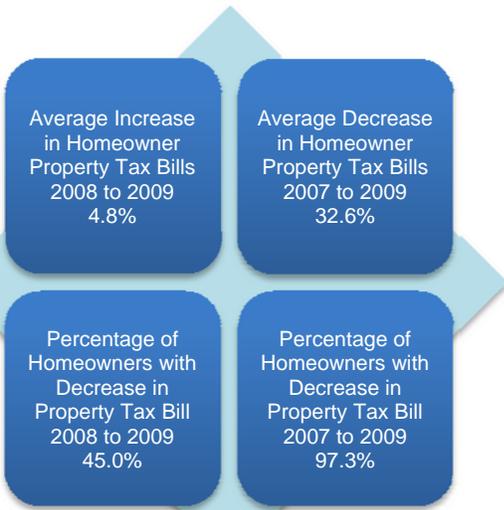


Legislative Services Agency

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 Henry 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	2,446	19.5%	128	1.0%
10% to 19%	1,735	13.9%	65	0.5%
1% to 9%	2,703	21.6%	136	1.1%
0%	5	0.0%	4	0.0%
-1% to -9%	1,809	14.5%	323	2.6%
-10% to -19%	1,604	12.8%	1,203	9.6%
-20% to -29%	979	7.8%	2,101	16.8%
-30% to -39%	419	3.3%	3,719	29.7%
-40% to -49%	194	1.5%	2,710	21.7%
-50% to -59%	177	1.4%	1,132	9.0%
-60% to -69%	184	1.5%	366	2.9%
-70% to -79%	127	1.0%	309	2.5%
-80% to -89%	82	0.7%	213	1.7%
-90% to -99%	53	0.4%	108	0.9%
-100%	0	0.0%	0	0.0%
<b>Total</b>	<b>12,517</b>	<b>100.0%</b>	<b>12,517</b>	<b>100.0%</b>
Higher Tax Bill	6,884	55.0%	329	2.6%
No Change	5	0.0%	4	0.0%
Lower Tax Bill	5,628	45.0%	12,184	97.3%
Average Change in Tax Bill	4.8%		-32.6%	

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	Henry County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-17.5%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-27.4%	-30.6%
State PTRC Percentage, 2008	20.2%	20.1%
Total State Homestead Credit, 2008	41.3%	39.5%
Total State Homestead Credit, 2009	7.0%	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 Henry County increased by 4.8%. Henry County taxpayers saw a high state homestead credit rate in 2008, which dropped to a rate near the state average in 2009. This loss of tax relief more than offset the effects of the new 35% supplemental homestead deduction and the elimination of the school general fund and county welfare levies. Henry County did not adopt a local option income tax for property tax relief for 2009, and few Henry County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Henry County, as they were in almost all Indiana counties.

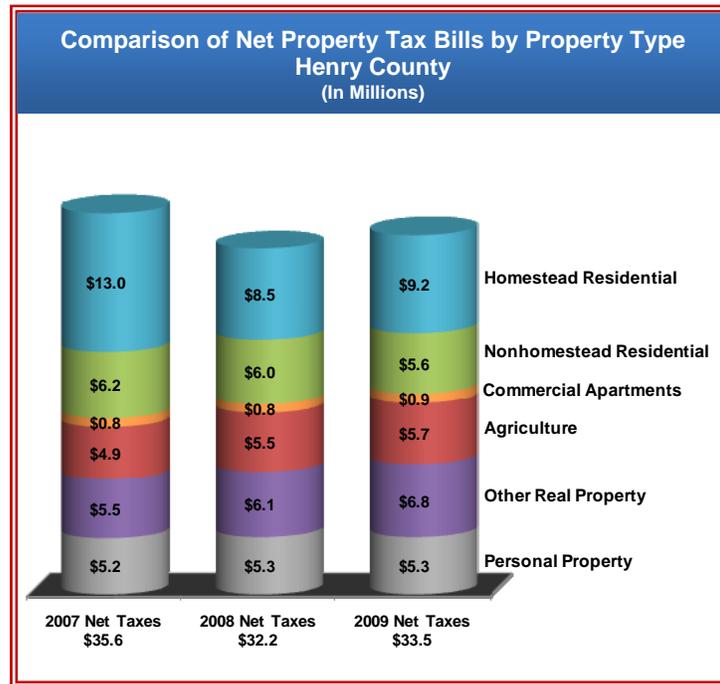
## 2009 Property Tax Changes:

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.



In Henry County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 6.7% decline in average property tax bills. Average tax bills on commercial apartments increased 12.5%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 3.6% average tax increase. Other commercial, industrial, and utility real property average tax bills increased 11.5%. There was no significant change in average tax bills for personal property, which is largely business equipment.

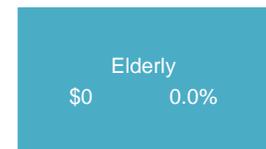
**Circuit Breaker Tax Caps.** Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, 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 Henry County \$412,545

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



## Henry 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>\$49,314,762</b>	<b>\$50,463,376</b>	<b>\$35,459,270</b>	<b>2.3%</b>	<b>-29.7%</b>	<b>1.1%</b>
State Unit	41,094	42,820	0	4.2%	-100.0%	
Henry County	10,030,219	11,279,478	8,358,171	12.5%	-25.9%	-5.0%
Blue River Township	31,379	32,087	32,241	2.3%	0.5%	0.5%
Dudley Township	17,919	17,907	10,496	-0.1%	-41.4%	-41.4%
Fall Creek Township	63,827	65,068	65,454	1.9%	0.6%	0.6%
Franklin Township	29,514	29,125	30,470	-1.3%	4.6%	4.6%
Greensboro Township	39,596	19,509	20,647	-50.7%	5.8%	5.8%
Harrison Township	25,539	26,127	27,400	2.3%	4.9%	4.9%
Henry Township	475,250	488,030	511,348	2.7%	4.8%	4.8%
Jefferson Township	43,491	43,749	44,236	0.6%	1.1%	1.1%
Liberty Township	28,546	29,419	30,712	3.1%	4.4%	4.4%
Prairie Township	104,582	124,798	111,293	19.3%	-10.8%	-10.8%
Spiceland Township	37,258	37,913	37,814	1.8%	-0.3%	-0.3%
Stoney Creek Township	26,105	26,779	27,001	2.6%	0.8%	0.8%
Wayne Township	58,948	60,864	90,682	3.3%	49.0%	49.0%
New Castle Civil City	6,469,668	6,766,360	6,726,932	4.6%	-0.6%	5.7%
Shirley Civil Town	49,926	50,327	57,090	0.8%	13.4%	13.4%
Blountsville Civil Town	6,771	7,163	7,355	5.8%	2.7%	2.7%
Cadiz Civil Town	3,534	3,665	3,811	3.7%	4.0%	4.0%
Dunreith Civil Town	30,315	31,077	32,403	2.5%	4.3%	4.3%
Greensboro Civil Town	7,894	7,715	7,708	-2.3%	-0.1%	-0.1%
Kennard Civil Town	29,313	29,591	31,612	0.9%	6.8%	6.8%
Knightstown Civil Town	373,487	382,860	360,154	2.5%	-5.9%	-5.9%
Lewisville Civil Town	29,986	31,102	30,222	3.7%	-2.8%	-2.8%
Middletown Civil Town	391,895	399,362	400,517	1.9%	0.3%	0.3%
Mooreland Civil Town	25,373	25,351	25,720	-0.1%	1.5%	1.5%
Mount Summit Civil Town	5,616	5,813	6,043	3.5%	4.0%	4.0%
Spiceland Civil Town	52,329	54,038	55,835	3.3%	3.3%	3.3%
Springport Civil Town	12,035	12,481	12,978	3.7%	4.0%	4.0%
Straughn Civil Town	18,211	18,849	19,165	3.5%	1.7%	1.7%
Sulphur Springs Civil Town	19,813	20,436	21,752	3.1%	6.4%	6.4%
Blue River Valley School Corporation	2,976,446	2,960,533	1,821,487	-0.5%	-38.5%	4.1%
South Henry School Corporation	2,901,762	2,704,826	2,037,411	-6.8%	-24.7%	52.5%
Shenandoah School Corporation	4,998,635	4,809,476	2,627,023	-3.8%	-45.4%	-3.4%
New Castle Community School Corporation	12,420,626	12,639,340	7,017,366	1.8%	-44.5%	0.0%
Charles A. Beard Memorial School Corporation	3,965,528	4,174,621	2,152,510	5.3%	-48.4%	-13.5%
Union School Corporation	498,712	463,391	227,337	-7.1%	-50.9%	6.2%
Nettle Creek School Corporation	530,850	541,806	293,349	2.1%	-45.9%	-2.5%
Knightstown Public Library	46,759	48,120	50,559	2.9%	5.1%	5.1%
Middletown-Fall Creek Township Public Library	101,242	116,580	69,340	15.1%	-40.5%	-40.5%
Spiceland Public Library	13,442	13,889	14,474	3.3%	4.2%	4.2%
New Castle-Henry County Public Library	2,253,167	1,775,969	1,905,096	-21.2%	7.3%	7.3%
Three Rivers Solid Waste Management Dist.	0	0	0	0.0%	0.0%	0.0%
Middletown Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Henry County Redevelopment Commission	28,160	44,962	46,056	59.7%	2.4%	2.4%

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.

## Henry 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
Blue River Township	39.5	33.7	-14.7%	1,033,179	735,942	-28.8%	2.6162	2.1853	20.22%	39.10%	6.95%	4.39%	7.29%
Mooreland Town	6.7	4.3	-36.0%	198,070	117,383	-40.7%	2.9565	2.7387	19.59%	40.82%	6.95%	0.29%	0.53%
Dudley Township	51.7	49.6	-4.0%	1,131,459	979,389	-13.4%	2.1882	1.9738	24.24%	42.08%	6.95%	19.76%	26.33%
Straughn Town	4.8	3.6	-25.4%	121,980	89,128	-26.9%	2.5572	2.5057	22.64%	43.24%	6.95%	0.00%	0.00%
Fall Creek Township	103.0	86.4	-16.1%	2,333,721	1,418,851	-39.2%	2.2654	1.6424	22.27%	41.72%	6.95%	0.49%	0.78%
Middletown Town	54.4	44.8	-17.7%	1,510,823	1,081,467	-28.4%	2.7790	2.4166	20.48%	42.98%	6.95%	11.08%	17.11%
Franklin Township	51.2	45.8	-10.5%	1,130,493	923,657	-18.3%	2.2092	2.0179	24.11%	42.11%	6.95%	7.81%	10.76%
Lewisville Town	7.9	5.2	-33.8%	201,850	133,071	-34.1%	2.5660	2.5538	23.09%	44.56%	6.95%	1.09%	1.84%
Greensboro Township	49.7	41.4	-16.6%	1,323,216	800,234	-39.5%	2.6647	1.9323	15.16%	35.12%	6.95%	0.42%	0.81%
Shirley Town	3.9	3.2	-15.8%	152,783	117,529	-23.1%	3.9572	3.6168	15.41%	41.98%	6.95%	0.01%	0.01%
Greensboro Town	2.4	1.6	-34.0%	72,223	38,781	-46.3%	2.9711	2.4186	15.20%	37.21%	6.95%	0.00%	0.00%
Kennard Town	7.0	5.1	-27.1%	216,611	129,616	-40.2%	3.0745	2.5230	15.30%	38.01%	6.95%	0.22%	0.38%
Harrison Township	105.2	95.4	-9.3%	2,332,472	1,609,145	-31.0%	2.2181	1.6866	22.29%	41.09%	6.95%	19.98%	34.48%
Cadiz Town	2.6	1.9	-26.8%	61,980	36,167	-41.6%	2.3465	1.8712	21.89%	41.85%	6.95%	1.62%	3.20%
Henry Township	231.0	184.5	-20.1%	5,753,063	3,904,098	-32.1%	2.4908	2.1163	21.73%	40.00%	6.95%	28.74%	43.38%
New Castle City	532.0	420.5	-21.0%	19,256,416	15,359,371	-20.2%	3.6194	3.6528	19.60%	44.49%	6.95%	13.93%	19.71%
Jefferson Township	60.0	52.1	-13.2%	1,357,593	905,794	-33.3%	2.2625	1.7390	22.06%	41.13%	6.95%	1.83%	3.06%
Sulpher Springs Town	9.7	6.9	-28.4%	234,804	138,591	-41.0%	2.4300	2.0038	21.66%	42.32%	6.95%	10.42%	19.68%
West Liberty Township	34.0	30.5	-10.4%	808,980	596,823	-26.2%	2.3792	1.9592	22.27%	39.89%	6.95%	9.00%	13.62%
East Liberty Township	33.7	29.1	-13.9%	807,146	524,578	-35.0%	2.3928	1.8053	20.91%	38.55%	6.95%	2.64%	4.91%
Prairie Township	108.2	86.7	-19.9%	2,872,043	1,925,098	-33.0%	2.6541	2.2207	19.75%	38.32%	6.95%	3.15%	5.13%
Mount Summit Town	7.9	6.0	-24.7%	209,184	130,894	-37.4%	2.6413	2.1947	20.17%	39.23%	6.95%	0.67%	1.10%
Springport Town	3.0	2.2	-25.2%	88,791	60,070	-32.3%	2.9879	2.7027	19.71%	41.38%	6.95%	0.01%	0.01%
Spiceland Township	56.8	52.6	-7.3%	1,198,790	992,124	-17.2%	2.1122	1.8857	24.90%	42.50%	6.95%	12.53%	16.77%
Dunreith Town	4.0	2.9	-28.1%	113,859	85,320	-25.1%	2.8551	2.9753	19.60%	38.66%	6.95%	0.11%	0.15%
Spiceland Town	17.3	12.3	-28.9%	412,678	282,587	-31.5%	2.3890	2.2997	23.79%	44.06%	6.95%	1.93%	2.75%
Stoney Creek Township	30.3	26.2	-13.7%	685,867	435,432	-36.5%	2.2603	1.6628	25.58%	43.26%	6.95%	2.43%	4.14%
Blountsville Town	2.4	1.6	-31.0%	59,101	33,274	-43.7%	2.5008	2.0420	24.64%	44.62%	6.95%	6.03%	13.20%
Wayne Township	105.9	90.9	-14.2%	2,836,846	1,779,446	-37.3%	2.6779	1.9573	15.16%	35.23%	6.95%	10.70%	18.62%
Knightstown Town	53.8	41.8	-22.3%	1,794,776	1,153,692	-35.7%	3.3340	2.7596	15.55%	39.91%	6.95%	7.88%	14.34%
<b>County Totals/Averages</b>	<b>1,779.9</b>	<b>1,468.7</b>	<b>-17.5%</b>	<b>50,310,800</b>	<b>36,517,550</b>	<b>-27.4%</b>	<b>2.8284</b>	<b>2.4649</b>	<b>20.18%</b>	<b>41.25%</b>	<b>6.95%</b>	<b>11.87%</b>	<b>18.30%</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.

## Henry 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	
Henry County	8,358,171	3,504	4,586	58,156	0	66,247
Blue River Township	32,241	10	0	0	0	10
Dudley Township	10,496	4	0	0	0	4
Fall Creek Township	65,454	18	0	0	0	18
Franklin Township	30,470	0	0	0	0	0
Greensboro Township	20,647	15	0	22	0	36
Harrison Township	27,400	0	0	0	0	0
Henry Township	511,348	107	266	3,408	0	3,781
Jefferson Township	44,236	13	0	0	0	13
Liberty Township	30,712	0	0	0	0	0
Prairie Township	111,293	119	1	0	0	120
Spiceland Township	37,814	0	3	0	0	3
Stoney Creek Township	27,001	0	0	0	0	0
Wayne Township	90,682	25	0	0	0	25
New Castle Civil City	6,726,932	5,360	13,312	170,409	0	189,081
Shirley Civil Town	57,090	0	0	1,304	0	1,304
Blountsville Civil Town	7,355	0	0	0	0	0
Cadiz Civil Town	3,811	0	0	0	0	0
Dunreith Civil Town	32,403	0	118	0	0	118
Greensboro Civil Town	7,708	0	0	0	0	0
Kennard Civil Town	31,612	91	0	0	0	91
Knightstown Civil Town	360,154	310	0	0	0	310
Lewisville Civil Town	30,222	0	0	0	0	0
Middletown Civil Town	400,517	338	0	0	0	338
Mooreland Civil Town	25,720	144	0	0	0	144
Mount Summit Civil Town	6,043	0	0	0	0	0
Spiceland Civil Town	55,835	0	0	0	0	0
Springport Civil Town	12,978	0	18	0	0	18
Straughn Civil Town	19,165	146	0	0	0	146
Sulphur Springs Civil Town	21,752	0	0	0	0	0
Blue River Valley School Corporation	1,821,487	1,602	40	0	0	1,643
South Henry School Corporation	2,037,411	328	126	0	0	454
Shenandoah School Corporation	2,627,023	625	0	0	0	625
New Castle Community School Corporation	7,017,366	3,635	9,028	115,573	0	128,236
Charles A. Beard Memorial School Corporation	2,152,510	880	0	880	0	1,760
Union School Corporation	227,337	0	0	0	0	0
Nettle Creek School Corporation	293,349	0	0	0	0	0
Knightstown Public Library	50,559	44	0	0	0	44
Middletown-Fall Creek Township Public Library	69,340	28	0	0	0	28
Spiceland Public Library	14,474	0	2	0	0	2
New Castle Public Library	0	0	0	0	0	0
Henry County Contractual Library	0	0	0	0	0	0
New Castle-Henry County Public Library	1,905,096	816	1,236	15,882	0	17,934
Three Rivers Solid Waste Management District	0	0	0	0	0	0
Middletown Redevelopment Commission	0	0	0	0	0	0
Henry County Redevelopment Commission	46,056	11	1	3	0	15
<b>Total - All Taxing Units</b>	<b>35,459,270</b>	<b>18,170</b>	<b>28,737</b>	<b>365,638</b>	<b>0</b>	<b>412,545</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.