

# 2010 Property Tax Report

## Henry County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Henry 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 Henry 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 Henry 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	7,877	61.3%	397	3.1%
No Change	566	4.4%	73	0.6%
Lower Tax Bill	4,401	34.3%	12,374	96.3%
<b>Average Change in Tax Bill</b>	<b>1.4%</b>		<b>-32.4%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	462	3.6%	184	1.4%
10% to 19%	2,373	18.5%	73	0.6%
1% to 9%	5,042	39.3%	140	1.1%
0%	566	4.4%	73	0.6%
-1% to -9%	3,177	24.7%	332	2.6%
-10% to -19%	600	4.7%	1,050	8.2%
-20% to -29%	266	2.1%	3,060	23.8%
-30% to -39%	125	1.0%	3,499	27.2%
-40% to -49%	43	0.3%	2,108	16.4%
-50% to -59%	50	0.4%	796	6.2%
-60% to -69%	28	0.2%	328	2.6%
-70% to -79%	16	0.1%	306	2.4%
-80% to -89%	21	0.2%	218	1.7%
-90% to -99%	28	0.2%	358	2.8%
-100%	47	0.4%	319	2.5%
<b>Total</b>	<b>12,844</b>	<b>100.0%</b>	<b>12,844</b>	<b>100.0%</b>

The average homeowner saw a 1.4% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 32.4% lower than they were in 2007, before the property tax reforms.

96.3% of homeowners saw lower tax bills in 2010 than in 2007.

86.9% of homeowners saw tax changes ranging between +19% and -9% from 2009 to 2010.

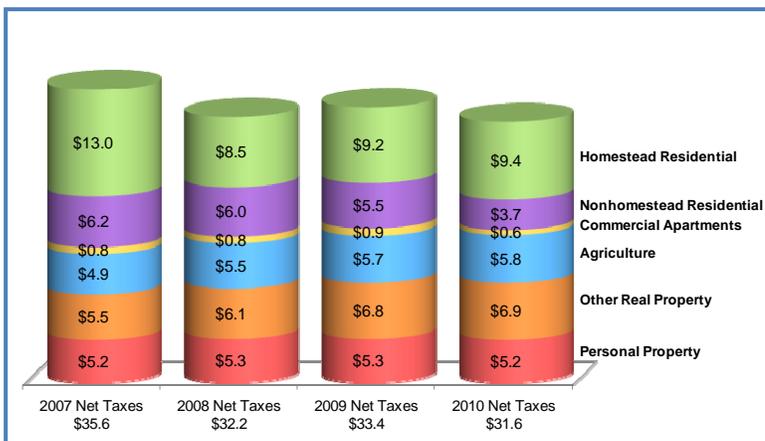
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

### Henry County Overview

The slightly larger-than-average increase in homeowner tax bills appears to be the result of a fall in the assessed value of nonhomestead residential, commercial, and industrial property in Henry County in 2010, resulting in a tax shift to homeowners. Property tax levies increased 2.9% in Henry County in 2010, similar to the state average increase of 2.4%. The largest levy increases were for the Shenandoah School Corporation debt service and bus replacement funds and the Charles A. Beard School Corporation bus replacement fund. Henry County homeowners benefitted somewhat less from the one percent property tax cap than did homeowners in the average county, primarily because Henry County home values tend to be lower than the state average.

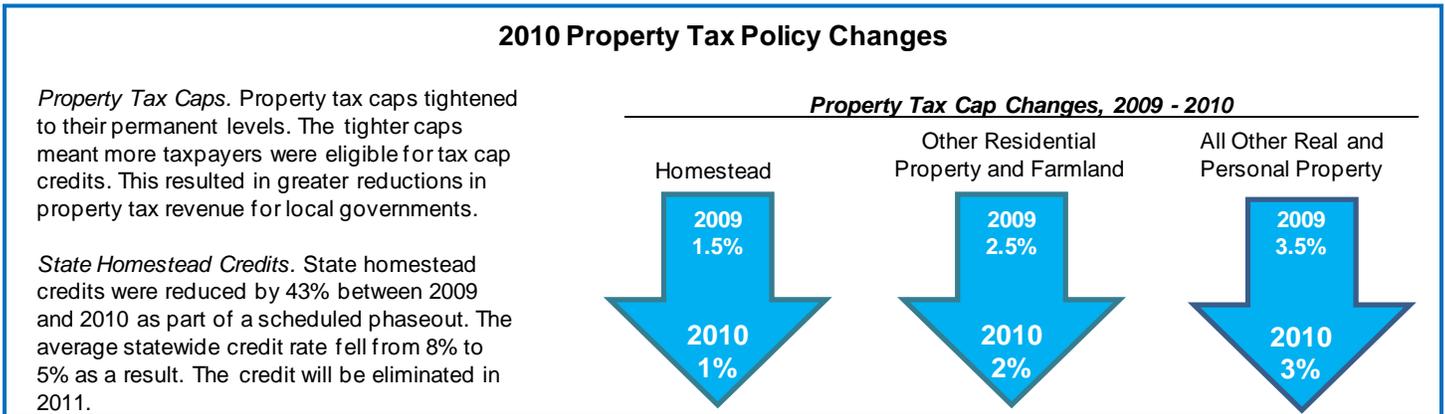
### Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers decreased 5.9% in Henry County from 2009 to 2010. This was greater than the statewide reduction of 1.4%. In 2010 apartment owners saw a 37.4% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing, as was the 33.7% decrease in tax bills for nonhomestead residential property (mostly small rental residences). Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.2% increase and a 2.2% decrease, respectively, in tax bills in 2010. These changes in tax bills were mainly due to the increased property tax levies and changes in assessed value. After deductions and exemptions,

business real property net assessed value grew by 1.9%, while personal property net assessed value declined by 2.2%. The tightening of the tax caps from 3.5% to 3% also contributed to the tax changes for commercial and industrial property.

Agricultural business property saw a 0.3% increase in tax payments in 2010 because of the Henry County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



**Tax Cap Credits**

Tax cap credits in Henry County in 2010 amounted to 10.7% of the total property tax levy. The statewide average was 6.3%. The larger percentage loss in the county was partly due to higher-than-average tax rates in Henry County. Tax rates in 20 of 30 total taxing districts exceeded \$2, so a large amount of housing in the 2% cap category was eligible for credits. The districts with \$2-plus tax rates included 4 of 14 rural taxing districts, indicating that some farmland also qualified for tax cap credits. Commercial or industrial properties in the 3% tax cap category qualified for credits in some portions of the county because the tax rates in 3 taxing districts exceeded \$3. Henry County home values were not high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category  
Henry County Total \$4,020,809**

1%	2%	3%	Elderly
\$326,148	\$2,119,312	\$1,575,349	\$0
8.1%	52.7%	39.2%	0.0%

Henry County, New Castle City, and the New Castle Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Shirley and New Castle City lost the most, at 26.1% and 23.7%, respectively. Also, the New Castle TIF district lost 25.8% of its TIF proceeds to circuit breaker credits. Losses were greatest for units that overlapped Shirley and New Castle, because these tax districts had the highest tax rates.

**The Effects of Recession**

In Henry 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 5.8% in December 2007 to 11.9% in July 2009. Job losses and income declines contributed to a 0.4% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Henry County in 2010.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,467,826,140	1,455,252,880	-0.9%
Other Residential	190,151,770	170,411,350	-10.4%
Ag Business/Land	295,080,430	295,719,120	0.2%
Business Real/Personal	640,884,660	631,174,240	-1.5%
<b>Total</b>	<b>\$2,593,943,000</b>	<b>\$2,552,557,590</b>	<b>-1.6%</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 Henry County, the gross assessed value of business real and personal property fell 1.5% in 2010. Other assessment categories decreased except for agriculture business/land, which increased by 0.2%. Total gross assessed value in Henry County fell 1.6%. This was lower 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.

### Henry County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	49,314,762	50,463,376	35,459,270	36,475,836	2.3%	-29.7%	2.9%
State Unit	41,094	42,820	0	0	4.2%	-100.0%	
Henry County	10,030,219	11,279,478	8,358,171	8,496,714	12.5%	-25.9%	1.7%
Blue River Township	31,379	32,087	32,241	33,061	2.3%	0.5%	2.5%
Dudley Township	17,919	17,907	10,496	11,004	-0.1%	-41.4%	4.8%
Fall Creek Township	63,827	65,068	65,454	66,984	1.9%	0.6%	2.3%
Franklin Township	29,514	29,125	30,470	31,419	-1.3%	4.6%	3.1%
Greensboro Township	39,596	19,509	20,647	21,365	-50.7%	5.8%	3.5%
Harrison Township	25,539	26,127	27,400	28,430	2.3%	4.9%	3.8%
Henry Township	475,250	488,030	511,348	531,605	2.7%	4.8%	4.0%
Jefferson Township	43,491	43,749	44,236	45,182	0.6%	1.1%	2.1%
Liberty Township	28,546	29,419	30,712	31,847	3.1%	4.4%	3.7%
Prairie Township	104,582	124,798	111,293	103,702	19.3%	-10.8%	-6.8%
Spiceland Township	37,258	37,913	37,814	38,769	1.8%	-0.3%	2.5%
Stoney Creek Township	26,105	26,779	27,001	27,775	2.6%	0.8%	2.9%
Wayne Township	58,948	60,864	90,682	100,382	3.3%	49.0%	10.7%
New Castle Civil City	6,469,668	6,766,360	6,726,932	6,926,725	4.6%	-0.6%	3.0%
Shirley Civil Town	49,926	50,327	57,090	56,636	0.8%	13.4%	-0.8%
Blountsville Civil Town	6,771	7,163	7,355	7,684	5.8%	2.7%	4.5%
Cadiz Civil Town	3,534	3,665	3,811	3,955	3.7%	4.0%	3.8%
Dunreith Civil Town	30,315	31,077	32,403	33,783	2.5%	4.3%	4.3%
Greensboro Civil Town	7,894	7,715	7,708	8,418	-2.3%	-0.1%	9.2%
Kennard Civil Town	29,313	29,591	31,612	32,814	0.9%	6.8%	3.8%
Knightstown Civil Town	373,487	382,860	360,154	372,759	2.5%	-5.9%	3.5%
Lewisville Civil Town	29,986	31,102	30,222	32,489	3.7%	-2.8%	7.5%
Middletown Civil Town	391,895	399,362	400,517	485,362	1.9%	0.3%	21.2%
Mooreland Civil Town	25,373	25,351	25,720	27,126	-0.1%	1.5%	5.5%
Mount Summit Civil Town	5,616	5,813	6,043	6,271	3.5%	4.0%	3.8%
Spiceland Civil Town	52,329	54,038	55,835	45,318	3.3%	3.3%	-18.8%
Springport Civil Town	12,035	12,481	12,978	13,472	3.7%	4.0%	3.8%
Straughn Civil Town	18,211	18,849	19,165	19,808	3.5%	1.7%	3.4%
Sulphur Springs Civil Town	19,813	20,436	21,752	22,563	3.1%	6.4%	3.7%
Blue River Valley School Corp	2,976,446	2,960,533	1,821,487	1,905,726	-0.5%	-38.5%	4.6%
South Henry School Corp	2,901,762	2,704,826	2,037,411	1,882,152	-6.8%	-24.7%	-7.6%
Shenandoah School Corp	4,998,635	4,809,476	2,627,023	3,041,633	-3.8%	-45.4%	15.8%
New Castle Community School Corp	12,420,626	12,639,340	7,017,366	6,860,805	1.8%	-44.5%	-2.2%
Charles A. Beard Memorial School Corp	3,965,528	4,174,621	2,152,510	2,528,799	5.3%	-48.4%	17.5%
Union School Corp	498,712	463,391	227,337	218,583	-7.1%	-50.9%	-3.9%
Nettle Creek School Corp	530,850	541,806	293,349	314,401	2.1%	-45.9%	7.2%
Knightstown Public Library	46,759	48,120	50,559	52,502	2.9%	5.1%	3.8%
Middletown-Fall Creek Township Pub Lib	101,242	116,580	69,340	71,936	15.1%	-40.5%	3.7%
Spiceland Public Library	13,442	13,889	14,474	15,018	3.3%	4.2%	3.8%
New Castle-Henry County Public Library	2,253,167	1,775,969	1,905,096	1,920,859	-21.2%	7.3%	0.8%
Three Rivers Solid Waste Mgt Dist	0	0	0	0			
Middletown Redevelopment Comm	0	0	0	0			
Henry County Redevelopment Comm	28,160	44,962	46,056	0	59.7%	2.4%	-100.0%

## Henry County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates						Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
33001	Blue River Township	2.2586	--	3.8697%	--	7.1411%	--	--	--	2.0099
33002	Mooreland Town	2.8744	--	3.8697%	--	0.5159%	--	--	--	2.7483
33003	Dudley Township	1.8764	--	3.8697%	--	26.3726%	--	--	--	1.3089
33004	Straughn Town	2.4508	--	3.8697%	--	--	--	--	--	2.3560
33005	Fall Creek Township	1.7917	--	3.8697%	--	0.7106%	--	--	--	1.7096
33006	Middletown Town	2.3970	--	3.8697%	--	17.7404%	--	--	--	1.8790
33007	Franklin Township	1.9215	--	3.8697%	--	11.1992%	--	--	--	1.6320
33008	Lewisville Town	2.4814	--	3.8697%	--	1.8580%	--	--	--	2.3393
33009	Greensboro Township	2.1662	--	3.8697%	--	0.7080%	--	--	--	2.0670
33010	Shirley Town	3.8827	--	3.8697%	--	0.0127%	--	--	--	3.7320
33011	Greensboro Town	2.6870	--	3.8697%	--	--	--	--	--	2.5830
33012	Kennard Town	2.8227	--	3.8697%	--	0.3632%	--	--	--	2.7032
33013	Harrison Township	1.7848	--	3.8697%	--	31.5297%	--	--	--	1.1530
33014	Cadiz Town	1.9699	--	3.8697%	--	3.0710%	--	--	--	1.8332
33015	Henry Township	2.1167	--	3.8697%	--	44.2273%	--	--	--	1.0986
33016	New Castle City	3.7736	--	3.8697%	--	19.0222%	--	--	--	2.9098
33017	Jefferson Township	1.8343	--	3.8697%	--	2.7270%	--	--	--	1.7133
33018	Sulpher Springs Town	2.1015	--	3.8697%	--	16.5533%	--	--	--	1.6723
33019	West Liberty Township	1.9563	--	3.8697%	--	12.7823%	--	--	--	1.6305
33020	East Liberty Township	1.8668	--	3.8697%	--	4.4928%	--	--	--	1.7107
33021	Prairie Township	2.2835	--	3.8697%	--	5.0819%	--	--	--	2.0791
33022	Mount Summit Town	2.2896	--	3.8697%	--	0.9593%	--	--	--	2.1790
33023	Springport Town	2.8006	--	3.8697%	--	0.0093%	--	--	--	2.6920
33024	Spiceland Township	1.7873	--	3.8697%	--	17.4214%	--	--	--	1.4068
33025	Dunreith Town	2.9850	--	3.8697%	--	0.1482%	--	--	--	2.8651
33026	Spiceland Town	2.1207	--	3.8697%	--	2.7258%	--	--	--	1.9808
33027	Stoney Creek Township	1.6543	--	3.8697%	--	4.3971%	--	--	--	1.5175
33028	Blountsville Town	2.0658	--	3.8697%	--	13.9621%	--	--	--	1.6974
33029	Wayne Township	2.1986	--	3.8697%	--	16.5498%	--	--	--	1.7497
33030	Knightstown Town	3.0507	--	3.8697%	--	12.3412%	--	--	--	2.5562

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.

## Henry 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>	326,148	2,119,271	1,459,832	0	3,905,251	36,475,836	10.7%
<i>TIF Total</i>	0	41	115,516	0	115,558	1,080,440	10.7%
<i>County Total</i>	326,148	2,119,312	1,575,349	0	4,020,809	37,556,276	10.7%
Henry County	53,791	367,893	227,995	0	649,679	8,496,714	7.6%
Blue River Township	31	1,727	0	0	1,758	33,061	5.3%
Dudley Township	1	20	0	0	22	11,004	0.2%
Fall Creek Township	0	494	0	0	494	66,984	0.7%
Franklin Township	5	67	0	0	72	31,419	0.2%
Greensboro Township	168	866	105	0	1,140	21,365	5.3%
Harrison Township	0	0	0	0	0	28,430	0.0%
Henry Township	2,939	19,202	13,800	0	35,940	531,605	6.8%
Jefferson Township	0	17	0	0	17	45,182	0.0%
Liberty Township	0	0	0	0	0	31,847	0.0%
Prairie Township	606	3,729	0	0	4,335	103,702	4.2%
Spiceland Township	6	107	0	0	113	38,769	0.3%
Stoney Creek Township	0	6	0	0	6	27,775	0.0%
Wayne Township	237	4,798	186	0	5,221	100,382	5.2%
New Castle Civil City	141,438	800,831	698,937	0	1,641,206	6,926,725	23.7%
Shirley Civil Town	119	8,510	6,171	0	14,800	56,636	26.1%
Blountsville Civil Town	0	89	0	0	89	7,684	1.2%
Cadiz Civil Town	0	0	0	0	0	3,955	0.0%
Dunreith Civil Town	247	2,792	0	0	3,039	33,783	9.0%
Greensboro Civil Town	0	640	0	0	640	8,418	7.6%
Kennard Civil Town	299	2,320	0	0	2,618	32,814	8.0%
Knightstown Civil Town	2,744	35,482	2,177	0	40,403	372,759	10.8%
Lewisville Civil Town	151	1,953	0	0	2,104	32,489	6.5%
Middletown Civil Town	0	15,963	0	0	15,964	485,362	3.3%
Mooreland Civil Town	84	2,329	0	0	2,413	27,126	8.9%
Mount Summit Civil Town	3	117	0	0	120	6,271	1.9%
Spiceland Civil Town	0	543	0	0	543	45,318	1.2%
Springport Civil Town	142	910	0	0	1,052	13,472	7.8%
Straughn Civil Town	57	877	0	0	934	19,808	4.7%
Sulphur Springs Civil Town	0	177	0	0	177	22,563	0.8%
Blue River Valley School Corp	8,284	77,934	0	0	86,218	1,905,726	4.5%
South Henry School Corp	605	9,336	0	0	9,941	1,882,152	0.5%
Shenandoah School Corp	1	22,509	0	0	22,510	3,041,633	0.7%
New Castle Community School Corp	89,808	522,381	439,871	0	1,052,060	6,860,805	15.3%
Charles A. Beard Memorial School Corp	9,792	118,177	8,259	0	136,228	2,528,799	5.4%
Union School Corp	0	147	0	0	147	218,583	0.1%
Nettle Creek School Corp	0	0	0	0	0	314,401	0.0%
Knightstown Public Library	386	4,998	307	0	5,691	52,502	10.8%
Middletown-Fall Creek Township Pub Lib	0	1,083	0	0	1,083	71,936	1.5%
Spiceland Public Library	5	86	0	0	91	15,018	0.6%
New Castle-Henry County Public Library	14,197	90,163	62,025	0	166,385	1,920,859	8.7%
Three Rivers Solid Waste Mgt Dist	0	0	0	0	0	0	
Middletown Redevelopment Comm	0	0	0	0	0	0	
Henry County Redevelopment Comm	0	0	0	0	0	0	
TIF - Middletown Town	0	0	10	0	10	15,475	0.1%
TIF - Franklin Township	0	0	0	0	0	43,549	0.0%
TIF - Henry Township	0	0	71	0	71	321,918	0.0%
TIF - New Castle City	0	41	115,435	0	115,477	446,839	25.8%
TIF - Spiceland Township	0	0	0	0	0	252,659	0.0%

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.