

2009 JAY COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

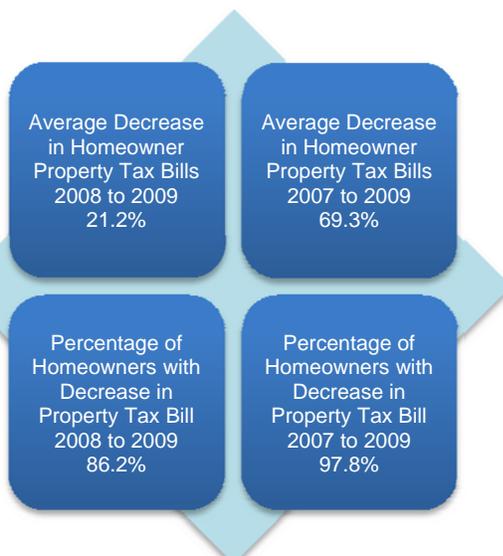


Legislative Services Agency

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 Jay 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	181	3.2%	28	0.5%
10% to 19%	100	1.8%	8	0.1%
1% to 9%	408	7.3%	4	0.1%
0%	79	1.4%	82	1.5%
-1% to -9%	698	12.5%	19	0.3%
-10% to -19%	1,032	18.5%	21	0.4%
-20% to -29%	960	17.2%	52	0.9%
-30% to -39%	561	10.1%	106	1.9%
-40% to -49%	379	6.8%	237	4.3%
-50% to -59%	304	5.5%	471	8.4%
-60% to -69%	288	5.2%	721	12.9%
-70% to -79%	111	2.0%	2,187	39.2%
-80% to -89%	74	1.3%	1,059	19.0%
-90% to -99%	40	0.7%	217	3.9%
-100%	361	6.5%	364	6.5%
Total	5,576	100.0%	5,576	100.0%
Higher Tax Bill	689	12.4%	40	0.7%
No Change	79	1.4%	82	1.5%
Lower Tax Bill	4,808	86.2%	5,454	97.8%
Average Change in Tax Bill	-21.2%		-69.3%	

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	Jay County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-6.3%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-22.3%	-30.6%
State PTRC Percentage, 2008	22.9%	20.1%
Total State Homestead Credit, 2008	41.0%	39.5%
Total State Homestead Credit, 2009	19.3%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	Yes	

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. Average homeowner tax bills in Jay County decreased by 21.2%. Jay County saw a smaller-than-average decrease in assessed value in 2009, resulting in a larger-than-average reduction in tax rates. Jay County adopted a local option income tax for property tax relief in 2008, and it continued to reduce homeowner tax bills in 2009. This caused homeowner tax bills to drop substantially. Few elderly Jay County homeowners were eligible for the

circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Jay County, as they were in most Indiana counties.

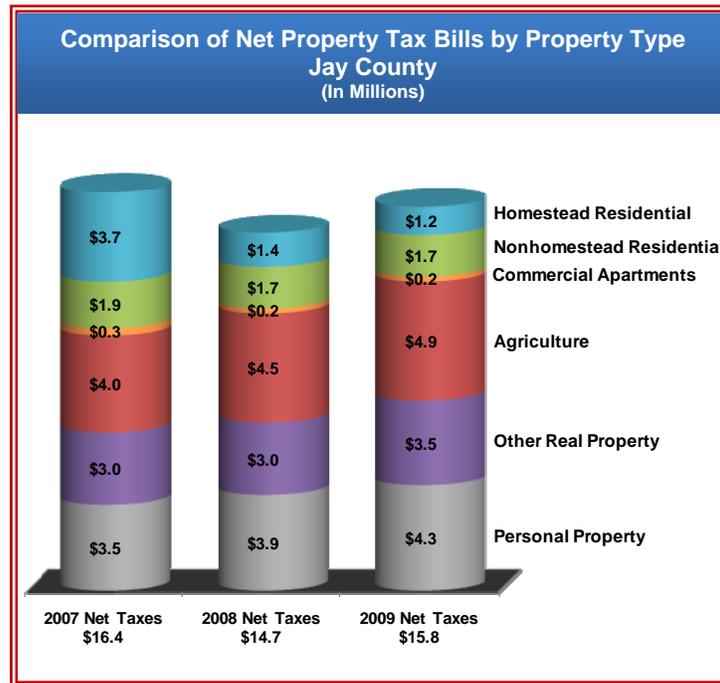
2009 Property Tax Changes:

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 Jay County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 4% increase in average property tax bills. Average tax bills on commercial apartments also increased 9%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw an 8.9% average tax increase. Other commercial, industrial, and utility real property average tax bills increased 16.7%. Personal property, which is largely business equipment, saw a 10.3% 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 Jay County \$4,022

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



Jay 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
County Total	\$22,518,943	\$23,128,397	\$17,643,913	2.7%	-23.7%	8.6%
State Unit	18,135	19,824	0	9.3%	-100.0%	
Jay County	5,472,298	5,405,353	4,136,614	-1.2%	-23.5%	-5.6%
Bearcreek Township	33,419	33,462	33,619	0.1%	0.5%	0.5%
Greene Township	19,781	18,843	16,733	-4.7%	-11.2%	-11.2%
Jackson Township	21,487	17,764	19,462	-17.3%	9.6%	9.6%
Jefferson Township	13,430	13,490	13,535	0.4%	0.3%	0.3%
Knox Township	10,144	10,082	7,220	-0.6%	-28.4%	-28.4%
Madison Township	15,696	16,086	15,898	2.5%	-1.2%	-1.2%
Noble Township	17,766	17,555	17,623	-1.2%	0.4%	0.4%
Penn Township	34,735	34,927	35,054	0.6%	0.4%	0.4%
Pike Township	16,159	16,289	22,334	0.8%	37.1%	37.1%
Richland Township	73,843	73,182	0	-0.9%	-100.0%	-100.0%
Wabash Township	16,100	15,971	16,077	-0.8%	0.7%	0.7%
Wayne Township	101,232	100,049	100,492	-1.2%	0.4%	0.4%
Portland Civil City	2,575,511	2,570,552	2,497,277	-0.2%	-2.9%	0.6%
Dunkirk Civil City	783,451	795,776	788,488	1.6%	-0.9%	0.3%
Bryant Civil Town	17,797	17,987	18,018	1.1%	0.2%	0.2%
Pennville Civil Town	69,557	70,570	45,250	1.5%	-35.9%	-35.9%
Redkey Civil Town	172,632	180,254	177,882	4.4%	-1.3%	-1.3%
Salamonia Civil Town	4,590	4,589	4,410	0.0%	-3.9%	-3.9%
Jay County School Corporation	12,289,625	12,951,701	8,919,766	5.4%	-31.1%	23.8%
Dunkirk Public Library	98,179	97,284	98,617	-0.9%	1.4%	1.4%
Penn Township Public Library	13,555	13,586	13,586	0.2%	0.0%	0.0%
Jay County Public Library	629,821	633,221	645,958	0.5%	2.0%	2.0%
Jay County Solid Waste Management District	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.

Jay 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	Rate-Real	2008	2009	2008	2009
Penn Township	29.2	27.7	-5.0%	688,263	518,360	-24.7%	2.2651	1.8694	23.93%	38.66%	19.31%	37.32%	54.33%
Pennville Town	8.5	7.0	-18.2%	269,713	173,883	-35.5%	3.1638	2.4945	22.44%	43.73%	19.31%	37.32%	54.33%
Dunkirk City	58.7	56.6	-3.6%	2,231,227	1,866,902	-16.3%	3.7984	3.2979	21.82%	46.42%	19.31%	37.32%	54.33%
Bearcreek Township	45.5	42.1	-7.5%	1,083,428	798,813	-26.3%	2.3814	1.8977	23.71%	38.42%	19.31%	37.32%	54.33%
Bryant Town	3.9	3.5	-11.7%	110,710	82,967	-25.1%	2.8097	2.3852	22.89%	41.60%	19.31%	37.32%	54.33%
Greene Township	60.5	56.7	-6.4%	1,415,117	1,049,423	-25.8%	2.3373	1.8514	23.84%	38.10%	19.31%	37.32%	54.33%
Jackson Township	39.1	36.4	-6.9%	922,117	683,256	-25.9%	2.3570	1.8750	23.79%	38.26%	19.31%	37.32%	54.33%
Jefferson Township	39.4	39.6	0.4%	925,325	735,265	-20.5%	2.3458	1.8564	23.82%	38.18%	19.31%	37.32%	54.33%
Knox Township	30.5	28.1	-7.7%	714,183	519,471	-27.3%	2.3447	1.8473	23.82%	38.16%	19.31%	37.32%	54.33%
Madison Township	30.9	30.4	-1.6%	729,407	569,059	-22.0%	2.3619	1.8723	23.62%	37.88%	19.31%	37.32%	54.33%
Salamonia Town	2.9	2.5	-13.3%	72,968	51,255	-29.8%	2.4870	2.0142	23.59%	39.60%	19.31%	37.32%	54.33%
Noble Township	44.9	44.1	-1.8%	1,055,099	821,132	-22.2%	2.3507	1.8624	23.78%	38.15%	19.31%	37.32%	54.33%
Pike Township	37.6	34.5	-8.2%	885,949	651,520	-26.5%	2.3549	1.8862	23.81%	38.29%	19.31%	37.32%	54.33%
Richland Township	43.9	40.5	-7.8%	1,047,981	737,437	-29.6%	2.3876	1.8216	23.69%	38.46%	19.31%	37.32%	54.33%
Redkey Town	15.8	13.5	-14.8%	554,569	428,649	-22.7%	3.5035	3.1776	21.63%	44.08%	19.31%	37.32%	54.33%
Wabash Township	27.9	26.0	-6.9%	660,530	489,045	-26.0%	2.3689	1.8835	23.73%	38.30%	19.31%	37.32%	54.33%
Wayne Township	77.6	68.5	-11.8%	1,851,453	1,304,262	-29.6%	2.3848	1.9054	23.70%	38.45%	19.31%	37.32%	54.33%
Portland City	216.6	204.6	-5.5%	7,625,830	6,270,773	-17.8%	3.5213	3.0653	21.53%	43.92%	19.31%	37.32%	54.33%
County Totals/Averages	813.6	762.3	-6.3%	22,843,871	17,751,472	-22.3%	2.8000	2.3306	22.87%	41.00%	19.31%	37.32%	54.33%

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.

Jay County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	Total
Jay County	4,136,614	0	591	0	126	717
Bearcreek Township	33,619	0	0	0	0	0
Greene Township	16,733	0	0	0	0	0
Jackson Township	19,462	0	0	0	0	0
Jefferson Township	13,535	0	0	0	0	0
Knox Township	7,220	0	0	0	1	1
Madison Township	15,898	0	0	0	0	0
Noble Township	17,623	0	0	0	0	0
Penn Township	35,054	0	0	0	0	0
Pike Township	22,334	0	0	0	0	0
Richland Township	0	0	0	0	0	0
Wabash Township	16,077	0	0	0	0	0
Wayne Township	100,492	0	20	0	3	22
Portland Civil City	2,497,277	0	1,116	0	159	1,275
Dunkirk Civil City	788,488	0	166	0	62	228
Bryant Civil Town	18,018	0	0	0	0	0
Pennville Civil Town	45,250	0	0	0	1	1
Redkey Civil Town	177,882	0	67	0	26	92
Salamonia Civil Town	4,410	0	0	0	0	0
Jay County School Corporation	8,919,766	0	1,274	0	271	1,545
Dunkirk Public Library	98,617	0	21	0	8	29
Penn Township Public Library	13,586	0	0	0	0	0
Jay County Public Library	645,958	0	93	0	18	111
Mideast Indiana Solid Waste Management District	0	0	0	0	0	0
Jay County Solid Waste District	0	0	0	0	0	0
Total - All Taxing Units	17,643,913	0	3,348	0	674	4,022

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.

Numbers may not total due to rounding.