

2011 Property Tax Report

Jay County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Jay County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Jay County

The average homeowner saw a 59.6% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 32.9% lower than they were in 2007, before the property tax reforms.

93.5% of homeowners saw lower tax bills in 2011 than in 2007.

77.9% of homeowners saw tax increases of 20% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 59% decrease in their tax bills from 2007 to 2011.

| | 2010 to 2011 | | 2007 to 2011 | |
|------------------------------------|----------------------|------------------|----------------------|------------------|
| | Number of Homesteads | % Share of Total | Number of Homesteads | % Share of Total |
| Summary Change in Tax Bill | | | | |
| Higher Tax Bill | 4,795 | 89.6% | 272 | 5.1% |
| No Change | 416 | 7.8% | 75 | 1.4% |
| Lower Tax Bill | 138 | 2.6% | 5,002 | 93.5% |
| Average Change in Tax Bill | 59.6% | | -32.9% | |
| Detailed Change in Tax Bill | | | | |
| 20% or More | 4,168 | 77.9% | 144 | 2.7% |
| 10% to 19% | 124 | 2.3% | 43 | 0.8% |
| 1% to 9% | 503 | 9.4% | 85 | 1.6% |
| 0% | 416 | 7.8% | 75 | 1.4% |
| -1% to -9% | 46 | 0.9% | 174 | 3.3% |
| -10% to -19% | 13 | 0.2% | 449 | 8.4% |
| -20% to -29% | 11 | 0.2% | 869 | 16.2% |
| -30% to -39% | 8 | 0.1% | 1,091 | 20.4% |
| -40% to -49% | 13 | 0.2% | 1,078 | 20.2% |
| -50% to -59% | 3 | 0.1% | 354 | 6.6% |
| -60% to -69% | 1 | 0.0% | 142 | 2.7% |
| -70% to -79% | 1 | 0.0% | 168 | 3.1% |
| -80% to -89% | 4 | 0.1% | 146 | 2.7% |
| -90% to -99% | 4 | 0.1% | 169 | 3.2% |
| -100% | 34 | 0.6% | 362 | 6.8% |
| Total | 5,349 | 100.0% | 5,349 | 100.0% |

Note: Percentages may not total due to rounding.

LOWER LOCAL HOMESTEAD CREDITS AND THE LOSS OF STATE HOMESTEAD CREDIT RAISE HOMEOWNER TAX BILLS

Homestead Property Taxes

Homestead property taxes increased 59.6% on average in Jay County in 2011. This was much more than the state average of 4.4%. Jay County homestead taxes were still 32.9% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was mainly due to a drop in Jay County's local homestead credit. This was a result of a fall in the local income tax revenues that fund it. In addition, homestead taxes increased because of the phaseout of the state homestead credit in 2011. The state homestead credit was 10.3% in Jay County in 2010.

Tax Rates

Property tax rates increased in all of Jay County tax districts. The average tax rate increased by 1.8% because a small increase in net assessed value was exceeded by a larger increase in the levy. Levies in Jay County increased by 2.8%. The biggest levy increase was in the county lease rental payment fund. Jay County Schools reduced its bus replacement levy. Jay County's total net assessed value increased 0.8% in 2011. (The certified net AV used to compute tax rates rose by 1.0%.) Homestead and agricultural net assessments increased by 0.7% and 2.5%, respectively. Other residential assessments showed a small increase at 3.5%, while business net assessments decreased by 1.3%.

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*SMALL TAX BILL INCREASES IN MOST
NONRESIDENTIAL CATEGORIES, BUT OTHER
RESIDENTIAL PROPERTY ROSE MORE
BECAUSE OF LOWER LOCAL TAX CREDITS*

★★★★★★

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



Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 9.6% in Jay County in 2011, higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 14.6%. Tax bills for commercial apartments fell 0.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – increased by 1.8%. Other residential taxes rose so much because of a drop in the local residential tax credit, which is funded by local income taxes. Agricultural tax bills rose 5.2%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.

Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
IN 2011*

★★★★★★

Total tax cap credit losses in Jay County were \$569,990, or 2.9% of the levy. This was less than the state average loss rate of 9.2%, and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Jay County's tax rates are higher than the state median, but Jay's substantial local tax credits for residential property hold tax bills down.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. Jay County had several taxing districts with rates above \$3, which makes property in the 2% and 3% categories eligible for credits. The largest percentage losses were in the Dunkirk City and Library District, and the town of Redkey. The largest dollar losses were in the Jay County School Corporation, Portland City, and the county unit.

| Jay County Tax Cap Credits | 1% | 2% | 3% | Elderly | Total | % of Levy |
|----------------------------|----------------|-----------------|------------------|-----------------|-----------------|-------------|
| 2010 Tax Cap Credits | \$718 | \$199,157 | \$261,239 | \$19,843 | \$480,956 | 2.5% |
| 2011 Tax Cap Credits | 6,075 | 282,838 | 216,719 | 64,357 | 569,990 | 2.9% |
| Change | \$5,358 | \$83,682 | -\$44,519 | \$44,515 | \$89,035 | 0.4% |

Tax cap credits increased in Jay County in 2011 by \$89,035, or 19%. The additional credits

represent an added loss of 0.4% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. The increase in the 1% and 2% categories largely was due to the drop in local property tax credits.

The Effect of Recession

The 2009 recession had a mixed effect on Jay County assessments for pay-2011. Homestead property values and construction activity appear to have fallen in Jay County in 2009, and overall assessments increased little. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local property tax credits. This credit reduction contributed to a rise in homestead and other residential tax bills and an increase in tax cap credit losses for Jay County governments.

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*2009 RECESSION REDUCED LOCAL
CREDIT RATES IN 2011, WHICH
INCREASED TAX CAP LOSSES*

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| Property Type | Gross AV 2010 | Gross AV 2011 | Gross AV Change | Net AV 2010 | Net AV 2011 | Net AV Change |
|------------------------|------------------------|------------------------|-----------------|----------------------|----------------------|---------------|
| Homesteads | \$509,873,070 | \$507,376,550 | -0.5% | \$173,484,178 | \$174,704,188 | 0.7% |
| Other Residential | 68,303,800 | 70,574,700 | 3.3% | 67,683,672 | 70,066,698 | 3.5% |
| Ag Business/Land | 280,132,800 | 286,282,300 | 2.2% | 278,808,943 | 285,686,443 | 2.5% |
| Business Real/Personal | 356,097,275 | 360,918,950 | 1.4% | 296,981,398 | 293,218,936 | -1.3% |
| Total | \$1,214,406,945 | \$1,225,152,500 | 0.9% | \$816,958,191 | \$823,676,265 | 0.8% |

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

Jay County Levy Comparison by Taxing Unit

| Taxing Unit | 2007 | 2008 | 2009 | 2010 | 2011 | % Change | | | |
|---------------------------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| | | | | | | 2007 - 2008 | 2008 - 2009 | 2009 - 2010 | 2010 - 2011 |
| County Total | 22,518,943 | 23,128,397 | 17,643,913 | 18,386,564 | 18,900,321 | 2.7% | -23.7% | 4.2% | 2.8% |
| State Unit | 18,135 | 19,824 | 0 | 0 | 0 | 9.3% | -100.0% | | |
| Jay County | 5,472,298 | 5,405,353 | 4,136,614 | 4,450,112 | 5,235,792 | -1.2% | -23.5% | 7.6% | 17.7% |
| Bearcreek Township | 33,419 | 33,462 | 33,619 | 33,486 | 34,221 | 0.1% | 0.5% | -0.4% | 2.2% |
| Greene Township | 19,781 | 18,843 | 16,733 | 14,082 | 17,346 | -4.7% | -11.2% | -15.8% | 23.2% |
| Jackson Township | 21,487 | 17,764 | 19,462 | 19,307 | 19,824 | -17.3% | 9.6% | -0.8% | 2.7% |
| Jefferson Township | 13,430 | 13,490 | 13,535 | 13,514 | 13,823 | 0.4% | 0.3% | -0.2% | 2.3% |
| Knox Township | 10,144 | 10,082 | 7,220 | 8,655 | 8,879 | -0.6% | -28.4% | 19.9% | 2.6% |
| Madison Township | 15,696 | 16,086 | 15,898 | 16,041 | 16,231 | 2.5% | -1.2% | 0.9% | 1.2% |
| Noble Township | 17,766 | 17,555 | 17,623 | 17,342 | 17,427 | -1.2% | 0.4% | -1.6% | 0.5% |
| Penn Township | 34,735 | 34,927 | 35,054 | 34,879 | 35,798 | 0.6% | 0.4% | -0.5% | 2.6% |
| Pike Township | 16,159 | 16,289 | 22,334 | 22,007 | 22,612 | 0.8% | 37.1% | -1.5% | 2.7% |
| Richland Township | 73,843 | 73,182 | 0 | 43,327 | 41,085 | -0.9% | -100.0% | | -5.2% |
| Wabash Township | 16,100 | 15,971 | 16,077 | 15,960 | 16,331 | -0.8% | 0.7% | -0.7% | 2.3% |
| Wayne Township | 101,232 | 100,049 | 100,492 | 98,607 | 99,540 | -1.2% | 0.4% | -1.9% | 0.9% |
| Portland Civil City | 2,575,511 | 2,570,552 | 2,497,277 | 2,511,212 | 2,498,961 | -0.2% | -2.9% | 0.6% | -0.5% |
| Dunkirk Civil City | 783,451 | 795,776 | 788,488 | 783,873 | 809,874 | 1.6% | -0.9% | -0.6% | 3.3% |
| Bryant Civil Town | 17,797 | 17,987 | 18,018 | 17,874 | 18,492 | 1.1% | 0.2% | -0.8% | 3.5% |
| Pennville Civil Town | 69,557 | 70,570 | 45,250 | 59,076 | 59,540 | 1.5% | -35.9% | 30.6% | 0.8% |
| Redkey Civil Town | 172,632 | 180,254 | 177,882 | 176,514 | 181,916 | 4.4% | -1.3% | -0.8% | 3.1% |
| Salamonia Civil Town | 4,590 | 4,589 | 4,410 | 4,478 | 4,653 | 0.0% | -3.9% | 1.5% | 3.9% |
| Jay County School Corporation | 12,289,625 | 12,951,701 | 8,919,766 | 9,299,458 | 8,986,614 | 5.4% | -31.1% | 4.3% | -3.4% |
| Dunkirk Public Library | 98,179 | 97,284 | 98,617 | 97,088 | 100,316 | -0.9% | 1.4% | -1.6% | 3.3% |
| Penn Township Public Library | 13,555 | 13,586 | 13,586 | 13,487 | 13,959 | 0.2% | 0.0% | -0.7% | 3.5% |
| Jay County Public Library | 629,821 | 633,221 | 645,958 | 636,185 | 647,087 | 0.5% | 2.0% | -1.5% | 1.7% |
| Jay County Solid Waste District | 0 | 0 | 0 | 0 | 0 | | | | |

Jay County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

| Dist # | Taxing District | Tax Rate | Credit Rates | | | | | Net Tax Rate, Homesteads | |
|--------|--------------------|----------|--------------|----------------|-----------------|-------------------|----------------|--------------------------|------------------|
| | | | LOIT PTRC | COIT Homestead | CEDIT Homestead | CEDIT Residential | LOIT Homestead | | LOIT Residential |
| 38010 | Penn Township | 1.9972 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3829 |
| 38011 | Pennville Town | 2.8706 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.9877 |
| 38014 | Dunkirk City | 3.5409 | -- | -- | 8.5084% | -- | -- | 22.2484% | 2.4518 |
| 38020 | Bearcreek Township | 2.0220 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.4001 |
| 38021 | Bryant Town | 2.5412 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.7596 |
| 38022 | Greene Township | 1.9775 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3693 |
| 38023 | Jackson Township | 2.0013 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3858 |
| 38024 | Jefferson Township | 1.9828 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3730 |
| 38025 | Knox Township | 1.9780 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3696 |
| 38026 | Madison Township | 1.9976 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3832 |
| 38027 | Salamonia Town | 2.1559 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.4928 |
| 38028 | Noble Township | 1.9866 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3756 |
| 38029 | Pike Township | 2.0127 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3937 |
| 38030 | Richland Township | 2.0003 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3851 |
| 38031 | Redkey Town | 3.4098 | -- | -- | 8.5084% | -- | -- | 22.2484% | 2.3611 |
| 38032 | Wabash Township | 2.0081 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.3905 |
| 38033 | Wayne Township | 2.0304 | -- | -- | 8.5084% | -- | -- | 22.2484% | 1.4059 |
| 38034 | Portland City | 3.2186 | -- | -- | 8.5084% | -- | -- | 22.2484% | 2.2287 |

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 *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.

Jay County 2011 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> | 6,075 | 281,375 | 203,621 | 64,358 | 555,429 | 18,900,321 | 2.9% |
| <i>TIF Total</i> | 0 | 1,464 | 13,098 | 0 | 14,562 | 902,929 | 1.6% |
| <i>County Total</i> | 6,075 | 282,838 | 216,719 | 64,358 | 569,991 | 19,803,250 | 2.9% |
| Jay County | 1,137 | 52,163 | 37,278 | 17,161 | 107,739 | 5,235,792 | 2.1% |
| Bearcreek Township | 2 | 4 | 0 | 59 | 65 | 34,221 | 0.2% |
| Greene Township | 0 | 0 | 0 | 35 | 35 | 17,346 | 0.2% |
| Jackson Township | 0 | 0 | 0 | 66 | 66 | 19,824 | 0.3% |
| Jefferson Township | 0 | 0 | 0 | 11 | 11 | 13,823 | 0.1% |
| Knox Township | 0 | 0 | 0 | 24 | 24 | 8,879 | 0.3% |
| Madison Township | 0 | 2 | 0 | 21 | 23 | 16,231 | 0.1% |
| Noble Township | 0 | 0 | 0 | 22 | 22 | 17,427 | 0.1% |
| Penn Township | 0 | 120 | 0 | 70 | 190 | 35,798 | 0.5% |
| Pike Township | 3 | 0 | 0 | 48 | 51 | 22,612 | 0.2% |
| Richland Township | 18 | 830 | 757 | 145 | 1,750 | 41,085 | 4.3% |
| Wabash Township | 0 | 0 | 0 | 10 | 10 | 16,331 | 0.1% |
| Wayne Township | 25 | 1,169 | 740 | 656 | 2,590 | 99,540 | 2.6% |
| Portland Civil City | 1,521 | 70,269 | 44,443 | 10,431 | 126,663 | 2,498,961 | 5.1% |
| Dunkirk Civil City | 772 | 31,164 | 32,561 | 2,528 | 67,025 | 809,874 | 8.3% |
| Bryant Civil Town | 0 | 50 | 0 | 81 | 130 | 18,492 | 0.7% |
| Pennville Civil Town | 0 | 1,314 | 0 | 295 | 1,609 | 59,540 | 2.7% |
| Redkey Civil Town | 142 | 11,950 | 6,907 | 809 | 19,808 | 181,916 | 10.9% |
| Salamonia Civil Town | 0 | 25 | 0 | 13 | 38 | 4,653 | 0.8% |
| Jay County School Corp | 2,229 | 102,212 | 73,046 | 29,368 | 206,854 | 8,986,614 | 2.3% |
| Dunkirk Public Library | 96 | 3,860 | 4,033 | 313 | 8,302 | 100,316 | 8.3% |
| Penn Township Public Library | 0 | 58 | 0 | 29 | 87 | 13,959 | 0.6% |
| Jay County Public Library | 132 | 6,186 | 3,856 | 2,162 | 12,336 | 647,087 | 1.9% |
| Mideast Indiana Solid Waste Mgt Dist | 0 | 0 | 0 | 0 | 0 | 0 | |
| Jay County Solid Waste Dist | 0 | 0 | 0 | 0 | 0 | 0 | |
| TIF - Premier TIF | 0 | 0 | 0 | 0 | 0 | 570,216 | 0.0% |
| TIF - Portland TIF #1 | 0 | 1,464 | 13,098 | 0 | 14,562 | 332,713 | 4.4% |

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.