

# 2010 Property Tax Report

## Jefferson County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Jefferson 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 Jefferson 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 Jefferson 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                    | 6,449                | 78.0%            | 258                  | 3.1%             |
| No Change                          | 285                  | 3.4%             | 72                   | 0.9%             |
| Lower Tax Bill                     | 1,537                | 18.6%            | 7,941                | 96.0%            |
| <b>Average Change in Tax Bill</b>  | <b>-1.0%</b>         |                  | <b>-38.1%</b>        |                  |
| <b>Detailed Change in Tax Bill</b> |                      |                  |                      |                  |
| 20% or More                        | 247                  | 3.0%             | 150                  | 1.8%             |
| 10% to 19%                         | 275                  | 3.3%             | 34                   | 0.4%             |
| 1% to 9%                           | 5,927                | 71.7%            | 74                   | 0.9%             |
| 0%                                 | 285                  | 3.4%             | 72                   | 0.9%             |
| -1% to -9%                         | 989                  | 12.0%            | 150                  | 1.8%             |
| -10% to -19%                       | 371                  | 4.5%             | 277                  | 3.3%             |
| -20% to -29%                       | 84                   | 1.0%             | 954                  | 11.5%            |
| -30% to -39%                       | 24                   | 0.3%             | 2,401                | 29.0%            |
| -40% to -49%                       | 23                   | 0.3%             | 2,192                | 26.5%            |
| -50% to -59%                       | 7                    | 0.1%             | 1,030                | 12.5%            |
| -60% to -69%                       | 10                   | 0.1%             | 302                  | 3.7%             |
| -70% to -79%                       | 4                    | 0.0%             | 174                  | 2.1%             |
| -80% to -89%                       | 3                    | 0.0%             | 153                  | 1.8%             |
| -90% to -99%                       | 5                    | 0.1%             | 95                   | 1.1%             |
| -100%                              | 17                   | 0.2%             | 213                  | 2.6%             |
| <b>Total</b>                       | <b>8,271</b>         | <b>100.0%</b>    | <b>8,271</b>         | <b>100.0%</b>    |

The average homeowner saw a 1.0% tax bill decrease from 2009 to 2010.

Homestead taxes in 2010 were still 38.1% lower than they were in 2007, before the property tax reforms.

96.0% of homeowners saw lower tax bills in 2010 than in 2007.

87.1% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

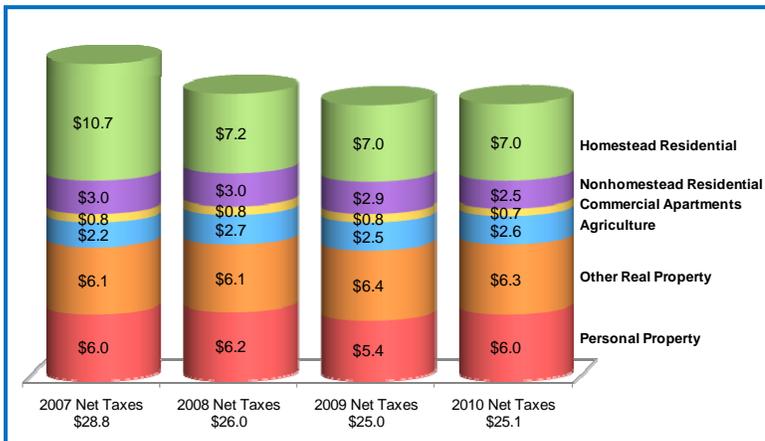
The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

### Jefferson County Overview

The decline in homeowner tax bills was just under the state average of 2.1%. Property tax levies increased 3.9% in Jefferson County in 2010, similar to the state average increase of 2.4%. Tax levy increases were largest for the county general fund, the Madison City general fund, and the Madison School Corporation capital projects fund. Jefferson County homeowners benefitted about the same from the one percent property tax cap as did homeowners in the average county. Jefferson County does not provide local homestead credits.

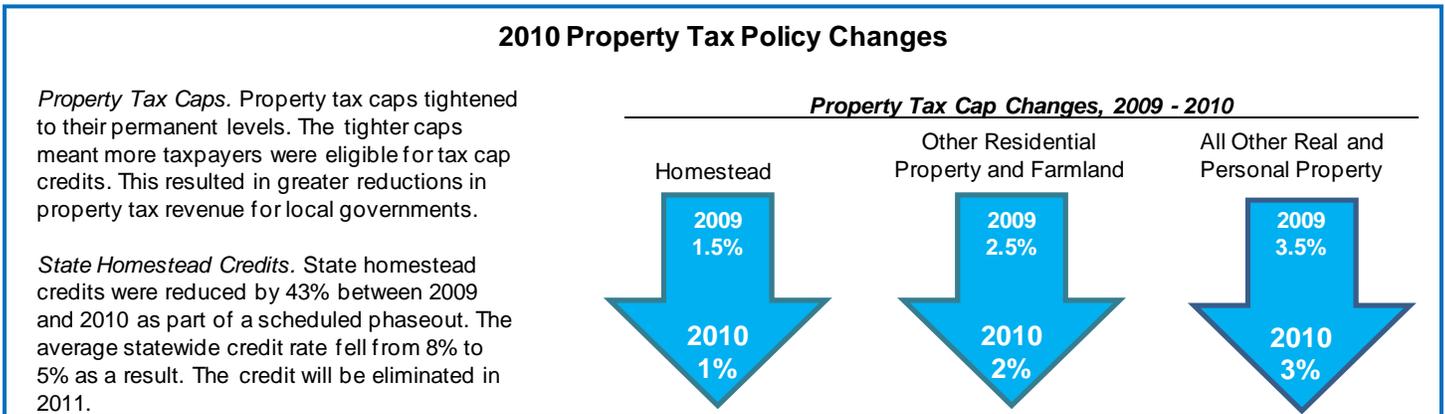
**Comparison of Net Property Tax by Property Type**  
(In Millions)



Net tax bills for all taxpayers increased 0.5% in Jefferson County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 13.8% 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. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw an 11.9% decrease in tax bills. Other real property, mostly commercial and industrial land and buildings, saw a 0.7% decrease, while personal property saw an 11% increase in tax bills in 2010. These changes were mainly due to the increase in Jefferson County property tax levies and changes in assessed value. Business real property assessments were reduced by 1.0%, while business personal

property assessments grew by 6.6%. Personal property net taxable value grew by 12.7% because of a reduction in deductions and exemptions. Commercial and industrial property did not benefit from the tightened tax caps because Jefferson County's tax rates were not high enough for this type of property to qualify for tax cap credits.

Agricultural business property saw a 1.7% increase in tax payments in 2010 because most tax rates in Jefferson County decreased slightly and the agricultural business assessed value grew by a total of 3.0%, including the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



### Tax Cap Credits

Tax cap credits in Jefferson County in 2010 amounted to 3.0% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to Jefferson County having a smaller share of its net assessed value in the 2% cap category. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. No commercial or industrial properties in the 3% tax cap category qualified for credits because all Jefferson County tax rates were under \$3.

**2010 Circuit Breaker Credits by Cap Category**  
Jefferson County Total \$798,824

| 1%        | 2%        | 3%   | Elderly  |
|-----------|-----------|------|----------|
| \$321,067 | \$465,599 | \$0  | \$12,158 |
| 40.2%     | 58.3%     | 0.0% | 1.5%     |

Jefferson County, Madison City, and the Madison Consolidated School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, Madison City lost the most, at 5.1%. Losses were greatest for units that overlapped Madison City because this tax district had the highest tax rate.

### The Effects of Recession

In Jefferson 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% in December 2007 to 11% in July 2009. Despite job losses, local income tax revenue grew by 13.6%.

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

| Property Type          | Gross AV 2009   | Gross AV 2010   | Gross AV Change |
|------------------------|-----------------|-----------------|-----------------|
| Homesteads             | 1,014,421,100   | 1,027,650,300   | 1.3%            |
| Other Residential      | 139,023,600     | 139,314,300     | 0.2%            |
| Ag Business/Land       | 139,772,500     | 143,899,500     | 3.0%            |
| Business Real/Personal | 684,647,400     | 699,528,389     | 2.2%            |
| Total                  | \$1,977,864,600 | \$2,010,392,489 | 1.6%            |

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 Jefferson County, the gross assessed value of business real and personal property rose 2.2% in 2010. Other assessment categories increased, and total gross assessed value in Jefferson County rose 1.6%. This was higher 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.

**Jefferson County Levy Comparison by Taxing Unit**

| Taxing Unit                               | 2007       | 2008       | 2009       | 2010       | % Change  |           |           |
|---|------------|------------|------------|------------|-----------|-----------|-----------|
|   |            |            |            |            | 2007-2008 | 2008-2009 | 2009-2010 |
| <i>County Total</i>                       | 35,678,609 | 36,952,691 | 24,413,782 | 25,368,825 | 3.6%      | -33.9%    | 3.9%      |
| State Unit                                | 30,890     | 32,108     | 0          | 0          | 3.9%      | -100.0%   |           |
| Jefferson County                          | 9,700,756  | 9,347,320  | 6,425,847  | 6,781,465  | -3.6%     | -31.3%    | 5.5%      |
| Graham Township                           | 16,958     | 18,579     | 24,313     | 25,242     | 9.6%      | 30.9%     | 3.8%      |
| Hanover Township                          | 47,735     | 59,920     | 62,616     | 65,066     | 25.5%     | 4.5%      | 3.9%      |
| Lancaster Township                        | 25,638     | 27,032     | 28,274     | 29,354     | 5.4%      | 4.6%      | 3.8%      |
| Madison Township                          | 189,689    | 237,472    | 247,383    | 256,918    | 25.2%     | 4.2%      | 3.9%      |
| Milton Township                           | 14,375     | 15,570     | 16,204     | 16,782     | 8.3%      | 4.1%      | 3.6%      |
| Monroe Township                           | 14,632     | 14,986     | 13,173     | 15,028     | 2.4%      | -12.1%    | 14.1%     |
| Republican Township                       | 33,971     | 36,170     | 34,928     | 36,163     | 6.5%      | -3.4%     | 3.5%      |
| Saluda Township                           | 33,004     | 36,008     | 36,797     | 38,482     | 9.1%      | 2.2%      | 4.6%      |
| Shelby Township                           | 21,831     | 23,323     | 24,269     | 25,145     | 6.8%      | 4.1%      | 3.6%      |
| Smyrna Township                           | 29,493     | 30,598     | 30,263     | 31,213     | 3.7%      | -1.1%     | 3.1%      |
| Madison Civil City                        | 5,072,143  | 5,330,732  | 5,176,552  | 5,428,817  | 5.1%      | -2.9%     | 4.9%      |
| Brooksborg Civil Town                     | 2,147      | 2,226      | 2,315      | 2,403      | 3.7%      | 4.0%      | 3.8%      |
| Dupont Civil Town                         | 0          | 0          | 0          | 9,883      |           |           |           |
| Hanover Civil Town                        | 166,329    | 178,697    | 189,440    | 196,076    | 7.4%      | 6.0%      | 3.5%      |
| Madison Consolidated School Corp          | 14,980,483 | 16,014,612 | 8,296,134  | 8,560,477  | 6.9%      | -48.2%    | 3.2%      |
| Southwestern Jefferson Consol School Corp | 4,139,737  | 4,373,020  | 2,698,034  | 2,701,292  | 5.6%      | -38.3%    | 0.1%      |
| Jefferson County Public Library           | 906,107    | 923,093    | 958,777    | 994,868    | 1.9%      | 3.9%      | 3.8%      |
| Southeastern Indiana Solid Waste Mgt Dist | 137,718    | 143,146    | 148,463    | 154,151    | 3.9%      | 3.7%      | 3.8%      |
| Madison City Redevelopment Comm           | 114,973    | 108,079    | 0          | 0          | -6.0%     | -100.0%   |           |

**Jefferson 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 |                          |
| 39001  | Graham Township     | 1.6302   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.5579                   |
| 39002  | Hanover Township    | 1.8436   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.7618                   |
| 39003  | Hanover Town        | 2.1228   | --        | 4.4373%         | --             | --              | --                | --             | --               | 2.0286                   |
| 39004  | Lancaster Township  | 1.6520   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.5787                   |
| 39005  | Dupont Town         | 1.8099   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.7296                   |
| 39006  | Madison Township    | 1.6438   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.5709                   |
| 39007  | Madison City        | 2.5312   | --        | 4.4373%         | --             | --              | --                | --             | --               | 2.4189                   |
| 39008  | Milton Township     | 1.6444   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.5714                   |
| 39009  | Brooksborg Town     | 1.8912   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.8073                   |
| 39010  | Monroe Township     | 1.7196   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.6433                   |
| 39011  | Republican Township | 1.8604   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.7778                   |
| 39012  | Saluda Township     | 1.8669   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.7841                   |
| 39013  | Shelby Township     | 1.6594   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.5858                   |
| 39014  | Smyrna Township     | 1.8923   | --        | 4.4373%         | --             | --              | --                | --             | --               | 1.8083                   |

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.

### Jefferson County 2010 Circuit Breaker Cap Credits

| Taxing Unit Name                          | Circuit Breaker Credits by Property Type |   |                                    |         | Total   | Levy       | Circuit Breaker as % of Levy |
|---|--|---|------------------------------------|---------|---------|------------|------------------------------|
|   | (1%)<br>Homesteads                       | (2%)<br>Other Residential<br>and Farmland | (3%)<br>All Other<br>Real/Personal | Elderly |         |            |                              |
| <i>Non-TIF Total</i>                      | 321,067                                  | 459,849                                   | 0                                  | 12,158  | 793,074 | 25,368,825 | 3.1%                         |
| <i>TIF Total</i>                          | 0  | 5,750                                     | 0                                  | 0       | 5,750   | 1,067,381  | 0.5%                         |
| <i>County Total</i>                       | 321,067                                  | 465,599                                   | 0                                  | 12,158  | 798,824 | 26,436,206 | 3.0%                         |
| Jefferson County                          | 73,533                                   | 104,958                                   | 0                                  | 3,208   | 181,700 | 6,781,465  | 2.7%                         |
| Graham Township                           | 0  | 0   | 0                                  | 3       | 3       | 25,242     | 0.0%                         |
| Hanover Township                          | 209                                      | 401                                       | 0                                  | 44      | 655     | 65,066     | 1.0%                         |
| Lancaster Township                        | 0  | 0   | 0                                  | 0       | 0       | 29,354     | 0.0%                         |
| Madison Township                          | 2,560                                    | 3,561                                     | 0                                  | 138     | 6,259   | 256,918    | 2.4%                         |
| Milton Township                           | 0  | 0   | 0                                  | 17      | 17      | 16,782     | 0.1%                         |
| Monroe Township                           | 17                                       | 0   | 0                                  | 17      | 34      | 15,028     | 0.2%                         |
| Republican Township                       | 0  | 0   | 0                                  | 10      | 10      | 36,163     | 0.0%                         |
| Saluda Township                           | 30                                       | 0   | 0                                  | 4       | 34      | 38,482     | 0.1%                         |
| Shelby Township                           | 40                                       | 0   | 0                                  | 2       | 42      | 25,145     | 0.2%                         |
| Smyrna Township                           | 83                                       | 0   | 0                                  | 5       | 88      | 31,213     | 0.3%                         |
| Madison Civil City                        | 112,727                                  | 160,546                                   | 0                                  | 2,745   | 276,018 | 5,428,817  | 5.1%                         |
| Brooksbury Civil Town                     | 0  | 0   | 0                                  | 10      | 10      | 2,403      | 0.4%                         |
| Dupont Civil Town                         | 0  | 0   | 0                                  | 1       | 1       | 9,883      | 0.0%                         |
| Hanover Civil Town                        | 1,336                                    | 3,559                                     | 0                                  | 104     | 4,999   | 196,076    | 2.5%                         |
| Madison Consolidated School Corp          | 111,111                                  | 156,297                                   | 0                                  | 4,147   | 271,555 | 8,560,477  | 3.2%                         |
| Southwestern Jefferson Consol School Corp | 6,961                                    | 12,743                                    | 0                                  | 1,160   | 20,863  | 2,701,292  | 0.8%                         |
| Jefferson County Public Library           | 10,788                                   | 15,398                                    | 0                                  | 471     | 26,656  | 994,868    | 2.7%                         |
| Southeastern Indiana Solid Waste Mgt Dist | 1,672                                    | 2,386                                     | 0                                  | 73      | 4,130   | 154,151    | 2.7%                         |
| Madison City Redevelopment Comm           | 0  | 0   | 0                                  | 0       | 0       | 0          |                              |
| TIF - Madison City                        | 0  | 5,750                                     | 0                                  | 0       | 5,750   | 1,067,381  | 0.5%                         |

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.