

2009 JENNINGS COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

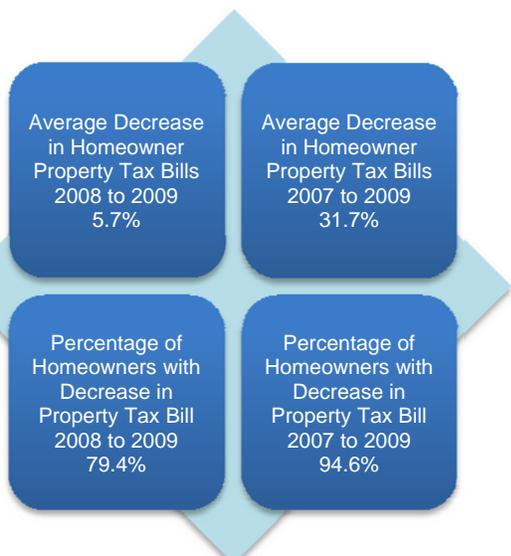


Legislative Services Agency

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 Jennings 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	347	4.8%	159	2.2%
10% to 19%	297	4.1%	36	0.5%
1% to 9%	694	9.7%	69	1.0%
0%	139	1.9%	120	1.7%
-1% to -9%	1,984	27.7%	126	1.8%
-10% to -19%	1,602	22.3%	495	6.9%
-20% to -29%	928	12.9%	1,444	20.1%
-30% to -39%	386	5.4%	1,796	25.0%
-40% to -49%	150	2.1%	1,488	20.7%
-50% to -59%	108	1.5%	653	9.1%
-60% to -69%	102	1.4%	184	2.6%
-70% to -79%	79	1.1%	138	1.9%
-80% to -89%	44	0.6%	106	1.5%
-90% to -99%	41	0.6%	65	0.9%
-100%	271	3.8%	293	4.1%
Total	7,172	100.0%	7,172	100.0%
Higher Tax Bill	1,338	18.7%	264	3.7%
No Change	139	1.9%	120	1.7%
Lower Tax Bill	5,695	79.4%	6,788	94.6%
Average Change in Tax Bill	-5.7%		-31.7%	

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	Jennings County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-15.0%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-28.8%	-30.6%
State PTRC Percentage, 2008	20.2%	20.1%
Total State Homestead Credit, 2008	42.3%	39.5%
Total State Homestead Credit, 2009	8.5%	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 Jennings County decreased by 5.7%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Jennings County did not adopt a local option income tax for property tax relief, and few Jennings County homeowners were eligible for the circuit breaker tax cap

credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Jennings County, as they were in almost all Indiana counties.

2009 Property Tax Changes:

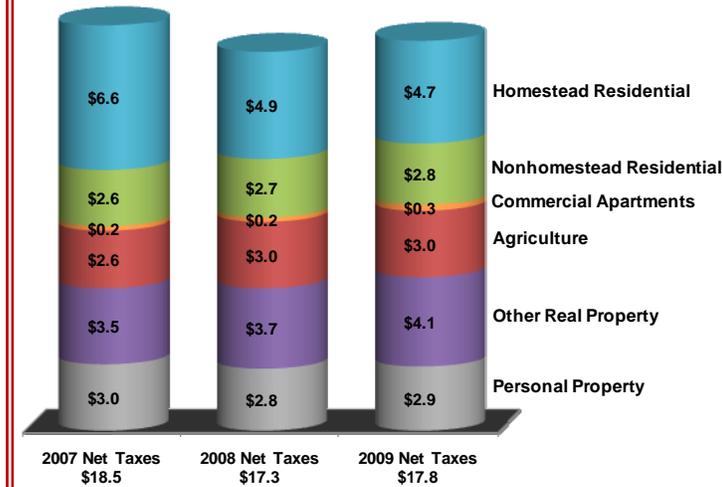
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

Comparison of Net Property Tax Bills by Property Type Jennings County (In Millions)



In Jennings County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 3.7% increase in average property tax bills. Average tax bills on commercial apartments increased 50.0%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) did not significantly change. Other commercial, industrial, and utility real property average tax bills increased 10.8%. Personal property, which is largely business equipment, saw a 3.6% 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. 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 received credits. Most farmland is outside cities and towns in jurisdictions with low tax rates. Few farmland owners received credits. Commercial and industrial property tends to receive credits where tax rates are relatively high.

Total Circuit Breaker Tax Cap Credit Amount for Jennings County \$178,842

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



Jennings 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	\$22,533,152	\$22,907,138	\$16,287,337	1.7%	-28.9%	0.2%
State Unit	20,097	21,519	0	7.1%	-100.0%	
Jennings County	5,390,016	5,181,652	4,311,373	-3.9%	-16.8%	3.5%
Bigger Township	15,592	16,089	17,155	3.2%	6.6%	6.6%
Campbell Township	23,000	23,616	24,331	2.7%	3.0%	3.0%
Center Township	79,232	80,886	87,350	2.1%	8.0%	8.0%
Columbia Township	12,051	12,957	13,232	7.5%	2.1%	2.1%
Geneva Township	79,081	79,155	77,622	0.1%	-1.9%	-1.9%
Lovett Township	12,285	12,841	13,509	4.5%	5.2%	5.2%
Marion Township	15,203	16,048	16,925	5.6%	5.5%	5.5%
Montgomery Township	18,486	18,818	18,974	1.8%	0.8%	0.8%
Sand Creek Township	17,126	27,684	27,885	61.6%	0.7%	0.7%
Spencer Township	27,019	26,870	26,074	-0.6%	-3.0%	-3.0%
Vernon Township	0	36,191	49,024		35.5%	35.5%
North Vernon Civil City	2,159,255	2,137,030	2,341,219	-1.0%	9.6%	11.7%
Vernon Civil Town	20,192	20,041	21,398	-0.7%	6.8%	6.8%
Jennings County School Corporation	14,176,320	14,638,459	8,749,952	3.3%	-40.2%	-3.6%
Jennings County Public Library	280,512	365,827	378,578	30.4%	3.5%	3.5%
Southeastern Indiana Solid Waste Mgt. District	104,669	108,493	112,736	3.7%	3.9%	3.9%
North Vernon Redevelopment Commission	83,016	82,962	0	-0.1%	-100.0%	-100.0%

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.

Jennings 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
Bigger Township	24.0	21.4	-10.8%	560,171	398,331	-28.9%	2.3328	1.8597	20.79%	41.96%	8.52%	0.00%	0.00%
Campbell Township	32.0	26.6	-17.0%	748,719	496,761	-33.7%	2.3396	1.8707	20.67%	41.74%	8.52%	0.00%	0.00%
Center Township	83.1	67.1	-19.3%	1,922,815	1,236,128	-35.7%	2.3143	1.8427	20.54%	41.07%	8.52%	0.00%	0.00%
North Vernon City	237.4	216.6	-8.8%	7,621,909	6,242,968	-18.1%	3.2110	2.8823	19.16%	45.59%	8.52%	0.00%	0.00%
Columbia Township	38.0	33.7	-11.2%	873,849	613,497	-29.8%	2.2999	1.8184	20.82%	41.62%	8.52%	0.00%	0.00%
Geneva Township	138.6	110.6	-20.2%	3,204,425	2,028,185	-36.7%	2.3116	1.8343	20.64%	41.32%	8.52%	0.00%	0.00%
Lovett Township	38.0	33.2	-12.5%	873,662	604,710	-30.8%	2.2996	1.8199	20.78%	41.51%	8.52%	0.00%	0.00%
Marion Township	37.5	31.8	-15.1%	865,624	583,143	-32.6%	2.3086	1.8322	20.80%	41.67%	8.52%	0.00%	0.00%
Montgomery Township	30.0	23.4	-21.9%	697,754	435,290	-37.6%	2.3286	1.8602	20.66%	41.56%	8.52%	0.00%	0.00%
Sand Creek Township	36.5	32.1	-12.0%	854,161	599,045	-29.9%	2.3417	1.8661	20.36%	40.96%	8.52%	0.00%	0.00%
Spencer Township	85.0	70.3	-17.3%	1,953,502	1,277,102	-34.6%	2.2974	1.8163	20.69%	41.25%	8.52%	0.00%	0.00%
Vernon Township	74.4	58.8	-20.9%	1,718,659	1,093,304	-36.4%	2.3112	1.8593	20.40%	40.67%	8.52%	0.00%	0.00%
Vernon Town	8.0	6.1	-24.4%	204,258	131,430	-35.7%	2.5459	2.1664	20.42%	43.40%	8.52%	0.00%	0.00%
Hidden Valley	34.2	30.1	-12.0%	790,666	552,101	-30.2%	2.3116	1.8343	20.64%	41.32%	8.52%	0.00%	0.00%
County Totals/Averages	896.6	761.8	-15.0%	22,890,174	16,291,995	-28.8%	2.5548	2.1382	20.18%	42.32%	8.52%	0.00%	0.00%

- 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.

Jennings 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	
Jennings County	4,311,373	179	34,036	0	1,060	35,275
Bigger Township	17,155	0	0	0	0	0
Campbell Township	24,331	0	0	0	0	0
Center Township	87,350	7	1,243	0	34	1,284
Columbia Township	13,232	0	0	0	0	0
Geneva Township	77,622	3	0	0	4	7
Lovett Township	13,509	2	0	0	15	17
Marion Township	16,925	0	0	0	0	0
Montgomery Township	18,974	0	0	0	0	0
Sand Creek Township	27,885	0	0	0	0	0
Spencer Township	26,074	0	0	0	2	2
Vernon Township	49,024	0	0	0	0	0
North Vernon Civil City	2,341,219	174	65,096	0	1,365	66,635
Vernon Civil Town	21,398	0	0	0	0	0
Jennings County School Corporation	8,749,952	364	69,088	0	2,151	71,603
Jennings County Public Library	378,578	16	2,989	0	93	3,098
Southeastern Indiana Solid Waste Management	112,736	5	889	0	28	922
North Vernon Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	16,287,337	749	173,341	0	4,752	178,842

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, plus land and other structures included in the 3.5% category. Mobile homes are included in this category.

Other Residential/Farmland includes small rentals, larger commercial apartments, and long-term care facilities. Most of this property is in the 2.5% tax cap category, though some land and buildings may be in the 3.5% category. It also includes farmland in the 2.5% category and farm buildings in the 3.5% category. Agricultural homesteads are included in the *Homesteads* column.

Other Real and Personal Property is commercial, industrial, and utility land and buildings in the 3.5% category, and business equipment, including agricultural equipment, in the 3.5% tax cap category.