

# 2010 Property Tax Report

## Knox County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Knox 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 Knox 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 Knox 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	4,851	51.4%	602	6.4%
No Change	969	10.3%	278	2.9%
Lower Tax Bill	3,622	38.4%	8,562	90.7%
<b>Average Change in Tax Bill</b>	<b>-4.0%</b>		<b>-34.0%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	353	3.7%	260	2.8%
10% to 19%	2,729	28.9%	107	1.1%
1% to 9%	1,769	18.7%	235	2.5%
0%	969	10.3%	278	2.9%
-1% to -9%	2,294	24.3%	426	4.5%
-10% to -19%	435	4.6%	865	9.2%
-20% to -29%	344	3.6%	1,467	15.5%
-30% to -39%	312	3.3%	1,903	20.2%
-40% to -49%	56	0.6%	1,446	15.3%
-50% to -59%	27	0.3%	1,003	10.6%
-60% to -69%	20	0.2%	316	3.3%
-70% to -79%	15	0.2%	159	1.7%
-80% to -89%	18	0.2%	118	1.2%
-90% to -99%	15	0.2%	103	1.1%
-100%	86	0.9%	756	8.0%
<b>Total</b>	<b>9,442</b>	<b>100.0%</b>	<b>9,442</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw a 4.0% tax bill decrease from 2009 to 2010.

90.7% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 34.0% lower than they were in 2007, before the property tax reforms.

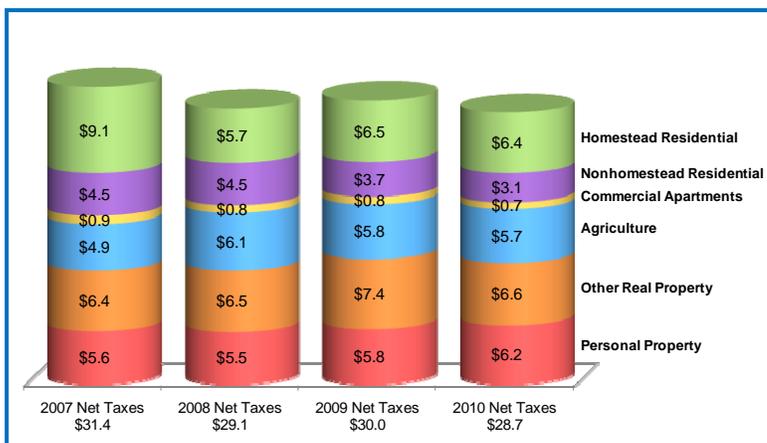
82.2% of homeowners saw tax changes ranging between +19% and -9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2010.

### Knox County Overview

The decline in homeowner tax bills was similar to the state average of 2.1%, due to offsetting factors. Property tax levies increased 3.9% in Knox County in 2010, slightly higher than the state average increase of 2.4%. The largest increase was for the Vincennes School Corporation's debt service fund. However, Knox County homeowners benefitted more from the one percent property tax cap than did homeowners in the average county, primarily because of high tax rates in the tax districts that included the cities of Vincennes and Bicknell. Knox County does not provide local homestead credits.

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



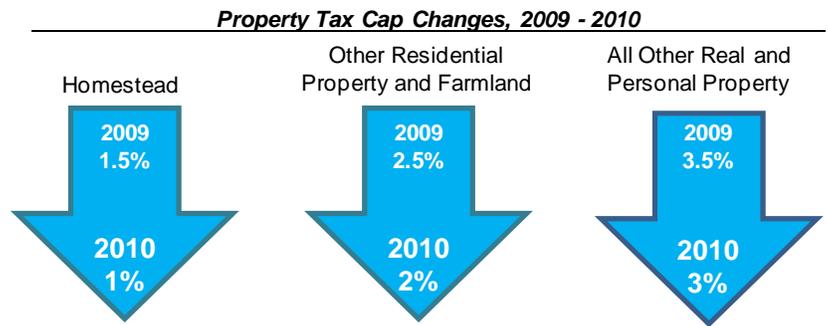
Net tax bills for all taxpayers decreased 4.7% in Knox County from 2009 to 2010. This was larger than the statewide reduction of 1.4%. In 2010 apartment owners saw an 18.3% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 16.3% decrease in tax bills. Other real property, mostly commercial and industrial land and buildings, saw a 10.3% decrease while personal property, mostly equipment, saw a 7.1% increase in tax bills in 2010. These tax changes were mainly due to the tightening of the tax caps from 3.5% to 3% and to changes in net assessed values. While gross assessments for business real property grew by

27.6%, net taxable value declined by 1.7% because most of the added property was exempt. Gross assessments for personal property grew by 9.9%, but net taxable value grew by 19.0% because of a reduction in abatements. Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw a 2.7% decrease in tax payments in 2010, mainly because tax rates fell in most rural taxing districts in Knox County.

### 2010 Property Tax Policy Changes

**Property Tax Caps.** Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

**State Homestead Credits.** State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.



### Tax Cap Credits

Tax cap credits in Knox County in 2010 amounted to 15.9% of the total property tax levy. The statewide average was 6.3%. The larger percentage loss in the county was mainly due to higher-than-average tax rates in Knox County. Tax rates in 10 of 24 total taxing districts exceeded \$2, so a large amount of housing in the 2% cap category was eligible for credits. Commercial and industrial properties in the 3% tax cap category qualified for credits in Bicknell and Vincennes because the tax rates in 4 taxing districts exceeded \$3. Three of those four districts had tax rates hovering around \$4. Higher-than-average tax rates combined with lower-than-average home values resulted in credits in the 1% category for 14.3% of the homesteads in the county.

**2010 Circuit Breaker Credits by Cap Category  
Knox County Total \$5,253,582**

1%	2%	3%	Elderly
\$912,183	\$2,181,618	\$2,159,128	\$654
17.4%	41.5%	41.1%	0.0%

Knox County, Vincennes City, and the Vincennes Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, the cities of Bicknell and Vincennes lost the most, at just over 30% each. Losses were greatest for units that overlapped the cities of Bicknell and Vincennes, because these tax districts had the highest tax rates.

### The Effects of Recession

In Knox County the recession has affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 3.8% in December 2007 to 8.2% in July 2009. Despite job losses, local income tax revenue grew by 0.7%.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	872,475,040	877,580,984	0.6%
Other Residential	154,467,032	156,341,218	1.2%
Ag Business/Land	330,602,600	344,111,200	4.1%
Business Real/Personal	647,193,519	765,957,598	18.4%
<b>Total</b>	<b>\$2,004,738,191</b>	<b>\$2,143,991,000</b>	<b>6.9%</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 Knox County, the gross assessed value of business real and personal property rose 18.4% in 2010, including a large increase in exempt AV. Other assessment categories also increased, and total gross assessed value in Knox County rose 6.9%. 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.

### Knox County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	40,080,699	40,885,681	30,415,060	31,603,747	2.0%	-25.6%	3.9%
State Unit	30,172	33,192	0	0	10.0%	-100.0%	
Knox County	8,781,290	8,656,288	7,031,836	7,283,101	-1.4%	-18.8%	3.6%
Busseron Township	53,322	53,410	49,194	51,602	0.2%	-7.9%	4.9%
Decker Township	32,865	33,110	35,075	36,674	0.7%	5.9%	4.6%
Harrison Township	93,671	97,352	111,451	103,797	3.9%	14.5%	-6.9%
Johnson Township	27,875	27,875	29,270	31,156	0.0%	5.0%	6.4%
Palmyra Township	95,888	93,021	117,619	101,288	-3.0%	26.4%	-13.9%
Steen Township	51,568	52,975	54,468	41,977	2.7%	2.8%	-22.9%
Vigo Township	63,032	63,900	67,527	76,377	1.4%	5.7%	13.1%
Vincennes Township	208,453	208,775	224,448	232,709	0.2%	7.5%	3.7%
Washington Township	111,829	111,582	115,136	122,477	-0.2%	3.2%	6.4%
Widner Township	40,279	41,263	55,791	54,012	2.4%	35.2%	-3.2%
Vincennes Civil City	6,979,349	6,614,712	6,741,870	7,050,016	-5.2%	1.9%	4.6%
Bicknell Civil City	679,559	684,496	731,803	759,994	0.7%	6.9%	3.9%
Bruceville Civil Town	56,420	55,441	60,847	63,160	-1.7%	9.8%	3.8%
Decker Civil Town	12,342	9,256	13,310	13,815	-25.0%	43.8%	3.8%
Edwardsport Civil Town	21,992	19,671	23,718	23,508	-10.6%	20.6%	-0.9%
Monroe City Civil Town	16,875	16,074	18,209	18,902	-4.7%	13.3%	3.8%
Oaktown Civil Town	34,600	36,473	38,841	37,569	5.4%	6.5%	-3.3%
Sandborn Civil Town	36,793	38,893	41,998	43,585	5.7%	8.0%	3.8%
Wheatland Civil Town	34,872	33,461	37,603	39,031	-4.0%	12.4%	3.8%
North Knox School Corp	4,674,463	5,281,333	2,910,095	2,624,237	13.0%	-44.9%	-9.8%
South Knox School Corp	5,918,573	6,592,683	3,624,005	3,337,686	11.4%	-45.0%	-7.9%
Vincennes Community School Corp	9,796,578	9,852,480	5,905,731	7,052,307	0.6%	-40.1%	19.4%
Bicknell Public Library	96,137	101,159	108,037	112,195	5.2%	6.8%	3.8%
Knox County Public Library	1,032,243	830,212	1,012,777	1,053,950	-19.6%	22.0%	4.1%
Vincennes Township Fire	845,338	963,536	967,661	941,703	14.0%	0.4%	-2.7%
South Vigo Township Fire	67,282	70,397	70,381	70,539	4.6%	0.0%	0.2%
Vigo Central Community Fire	48,588	49,553	52,373	54,323	2.0%	5.7%	3.7%
Johnson Township Community Fire	138,451	163,108	163,986	172,057	17.8%	0.5%	4.9%
Knox County Solid Waste Mgt Dist	0	0	0	0			
Vincennes Redevelopment Comm	0	0	0	0			

## Knox 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	
42001	Busseron Township	1.5995	--	4.1181%	--	--	--	--	--	1.5336
42002	Oaktown Town	2.0718	--	4.1181%	--	--	--	--	--	1.9865
42003	Decker Township	1.5710	--	4.1181%	--	--	--	--	--	1.5063
42004	Harrison Township	1.5576	--	4.1181%	--	--	--	--	--	1.4935
42005	Monroe City Town	1.7811	--	4.1181%	--	--	--	--	--	1.7078
42006	Johnson Township	1.7207	--	4.1181%	--	--	--	--	--	1.6498
42007	Decker Town	2.6820	--	4.1181%	--	--	--	--	--	2.5716
42008	Palmyra Township	1.5954	--	4.1181%	--	--	--	--	--	1.5297
42009	Steen Township	1.5072	--	4.1181%	--	--	--	--	--	1.4451
42010	Wheatland Town	1.8772	--	4.1181%	--	--	--	--	--	1.7999
42011	Vigo-South Township	1.8903	--	4.1181%	--	--	--	--	--	1.8125
42012	Bicknell City-Vigo Township	4.0033	--	4.1181%	--	--	--	--	--	3.8384
42013	Edwardsport Town	2.7945	--	4.1181%	--	--	--	--	--	2.6794
42014	Sandborn Town	2.6310	--	4.1181%	--	--	--	--	--	2.5227
42018	Washington Township	1.7125	--	4.1181%	--	--	--	--	--	1.6420
42019	Bicknell City-Washington Twp	4.0254	--	4.1181%	--	--	--	--	--	3.8596
42020	Bruceville Civil Town	2.8813	--	4.1181%	--	--	--	--	--	2.7626
42021	Widner Township	1.6178	--	4.1181%	--	--	--	--	--	1.5512
42022	Vincennes City I	3.9921	--	4.1181%	--	--	--	--	--	3.8277
42023	Vincennes Twp-Vincennes Schl	2.3321	--	4.1181%	--	--	--	--	--	2.2361
42024	Vincennes Twp-South Knox Schl	1.8631	--	4.1181%	--	--	--	--	--	1.7864
42025	Vigo-North Township	1.6269	--	4.1181%	--	--	--	--	--	1.5599
42026	Vigo-Central Township	1.6485	--	4.1181%	--	--	--	--	--	1.5806
42027	Vincennes City II	3.6069	--	4.1181%	--	--	--	--	--	3.4584

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.

### Knox 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>	912,183	2,164,142	1,867,913	654	4,944,891	31,603,747	15.6%
<i>TIF Total</i>	0	17,476	291,215	0	308,691	1,528,654	20.2%
<i>County Total</i>	912,183	2,181,618	2,159,128	654	5,253,583	33,132,401	15.9%
Knox County	144,204	321,745	268,516	115	734,579	7,283,101	10.1%
Busseron Township	0	38	0	0	38	51,602	0.1%
Decker Township	0	0	0	0	0	36,674	0.0%
Harrison Township	0	0	0	0	0	103,797	0.0%
Johnson Township	0	64	0	0	64	31,156	0.2%
Palmyra Township	0	0	0	0	0	101,288	0.0%
Steen Township	0	0	0	0	0	41,977	0.0%
Vigo Township	47	3,235	982	0	4,265	76,377	5.6%
Vincennes Township	10,053	19,339	17,441	7	46,839	232,709	20.1%
Washington Township	33	883	1,046	0	1,961	122,477	1.6%
Widner Township	0	0	0	1	1	54,012	0.0%
Vincennes Civil City	388,558	886,903	853,281	213	2,128,955	7,050,016	30.2%
Bicknell Civil City	2,335	158,736	84,362	23	245,457	759,994	32.3%
Bruceville Civil Town	568	8,693	0	0	9,260	63,160	14.7%
Decker Civil Town	0	1,527	0	0	1,527	13,815	11.1%
Edwardsport Civil Town	0	2,973	0	0	2,973	23,508	12.6%
Monroe City Civil Town	0	0	0	0	0	18,902	0.0%
Oaktown Civil Town	0	435	0	0	435	37,569	1.2%
Sandborn Civil Town	0	3,895	0	0	3,895	43,585	8.9%
Wheatland Civil Town	0	0	0	0	0	39,031	0.0%
North Knox School Corp	1,201	67,722	29,688	18	98,629	2,624,237	3.8%
South Knox School Corp	0	1,270	0	0	1,270	3,337,686	0.0%
Vincennes Community School Corp	319,592	614,810	554,477	229	1,489,108	7,052,307	21.1%
Bicknell Public Library	88	6,535	3,169	1	9,792	112,195	8.7%
Knox County Public Library	22,992	44,989	39,821	18	107,820	1,053,950	10.2%
Vincennes Township Fire	22,513	19,790	15,132	27	57,463	941,703	6.1%
South Vigo Township Fire	0	0	0	0	0	70,539	0.0%
Vigo Central Community Fire	0	211	0	0	211	54,323	0.4%
Johnson Township Community Fire	0	351	0	0	351	172,057	0.2%
Knox County Solid Waste Mgt Dist	0	0	0	0	0	0	
Vincennes Redevelopment Comm	0	0	0	0	0	0	
TIF - Vincennes City I	0	14,055	258,280	0	272,335	795,768	34.2%
TIF - PSI Energy Knox County	0	0	0	0	0	565,823	0.0%
TIF - Vincennes City II	0	3,421	32,935	0	36,356	167,062	21.8%

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.