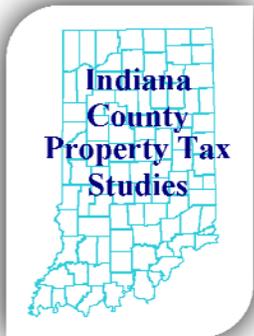


2009 MARSHALL COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

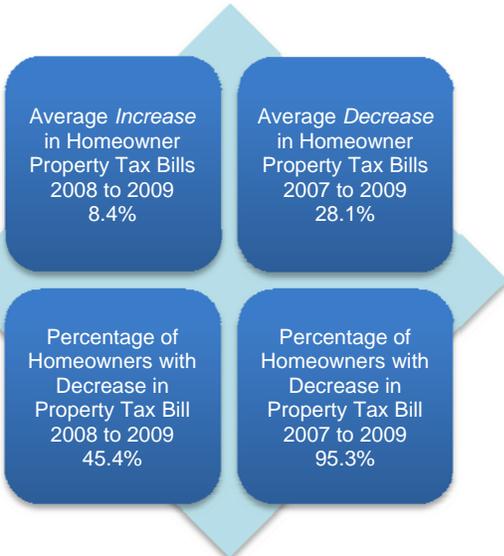


Legislative Services Agency

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 Marshall 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	2,478	21.4%	301	2.6%
10% to 19%	938	8.1%	81	0.7%
1% to 9%	2,874	24.8%	120	1.0%
0%	41	0.4%	37	0.3%
-1% to -9%	2,304	19.9%	576	5.0%
-10% to -19%	1,215	10.5%	1,173	10.1%
-20% to -29%	640	5.5%	2,988	25.8%
-30% to -39%	423	3.7%	2,854	24.6%
-40% to -49%	153	1.3%	1,917	16.5%
-50% to -59%	109	0.9%	782	6.7%
-60% to -69%	110	0.9%	282	2.4%
-70% to -79%	75	0.6%	156	1.3%
-80% to -89%	62	0.5%	118	1.0%
-90% to -99%	38	0.3%	75	0.6%
-100%	126	1.1%	126	1.1%
Total	11,586	100.0%	11,586	100.0%
Higher Tax Bill	6,290	54.3%	502	4.3%
No Change	41	0.4%	37	0.3%
Lower Tax Bill	5,255	45.4%	11,047	95.3%
Average Change in Tax Bill	8.4%		-28.1%	

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	Marshall County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-11.0%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-35.1%	-30.6%
State PTRC Percentage, 2008	23.8%	20.1%
Total State Homestead Credit, 2008	46.8%	39.5%
Total State Homestead Credit, 2009	7.2%	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 Marshall County increased by 8.4%. The school general fund and county welfare levies were a larger share of Marshall County's levy in 2008, so their elimination would have reduced Marshall County tax rates by more than the state average. But Marshall County taxpayers saw high state property tax replacement credit and state homestead credit rates in 2008. This loss of tax relief more than offset the effects of the new 35% supplemental homestead deduction and the lower tax rates. Marshall County did not adopt a local option income tax for property tax relief for 2009, and few Marshall County homeowners were eligible for the circuit breaker tax cap credits.

2009 Property Tax Changes:

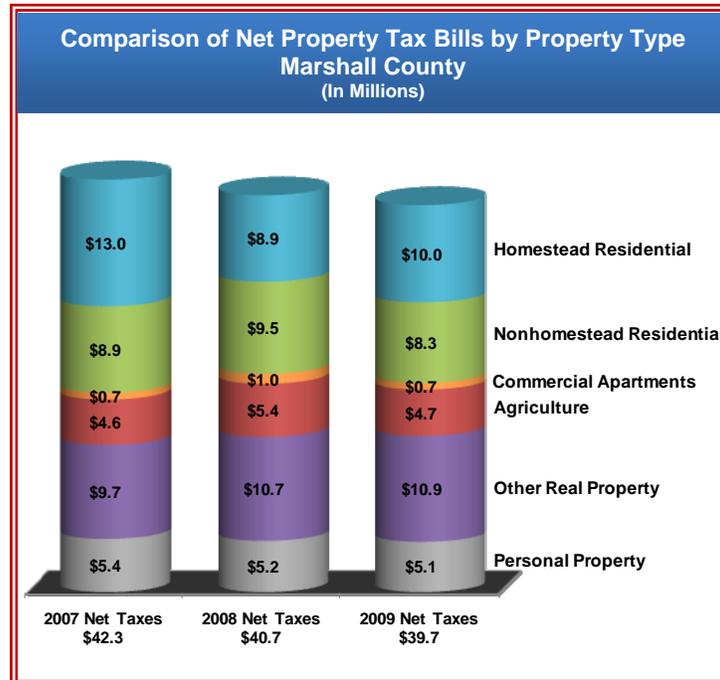
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

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



In Marshall County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 12.6% decline in average property tax bills. Average tax bills on commercial apartments decreased 30.0%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 13.0% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 1.9%. Personal property, which is largely business equipment, saw a 1.9% decrease 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 Marshall County \$110,131

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



Marshall 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	\$55,659,896	\$58,358,443	\$37,658,040	4.8%	-35.5%	0.3%
State Unit	61,664	65,436	0	6.1%	-100.0%	
Marshall County	9,457,692	11,208,735	6,607,003	18.5%	-41.1%	-1.8%
Bourbon Township	90,128	92,629	94,601	2.8%	2.1%	2.1%
Center Township	408,037	438,353	442,650	7.4%	1.0%	1.0%
German Township	239,361	245,686	250,540	2.6%	2.0%	2.0%
Green Township	43,698	45,050	45,972	3.1%	2.0%	2.0%
North Township	135,103	141,860	141,975	5.0%	0.1%	0.1%
Polk Township	145,724	198,326	191,150	36.1%	-3.6%	-3.6%
Tippecanoe Township	62,780	64,816	65,380	3.2%	0.9%	0.9%
Union Township	215,283	218,479	225,574	1.5%	3.2%	3.2%
Walnut Township	64,005	65,365	67,429	2.1%	3.2%	3.2%
West Township	191,718	231,221	230,046	20.6%	-0.5%	-0.5%
Plymouth Civil City	4,833,104	5,088,104	5,116,308	5.3%	0.6%	3.1%
Argos Civil Town	512,294	548,611	615,032	7.1%	12.1%	12.1%
Bourbon Civil Town	603,980	595,118	613,299	-1.5%	3.1%	3.1%
Bremen Civil Town	2,146,280	1,954,830	2,047,252	-8.9%	4.7%	7.2%
Culver Civil Town	818,020	838,750	875,893	2.5%	4.4%	4.4%
Lapaz Civil Town	88,302	90,520	94,033	2.5%	3.9%	3.9%
Culver Community School Corporation	4,896,161	5,227,510	2,286,626	6.8%	-56.3%	-16.0%
Argos Community School Corporation	2,426,121	2,570,100	1,184,598	5.9%	-53.9%	-24.5%
Bremen Public School Corporation	5,751,456	6,161,704	2,979,804	7.1%	-51.6%	-1.2%
Plymouth Community School Corporation	13,079,968	13,280,153	7,735,583	1.5%	-41.8%	6.8%
Triton School Corporation	2,709,100	2,609,758	1,098,281	-3.7%	-57.9%	-9.0%
John Glenn School Corporation	2,091,034	1,786,210	1,146,214	-14.6%	-35.8%	21.9%
Union-North United School Corporation	2,296,095	2,297,006	1,072,166	0.0%	-53.3%	-5.9%
Argos Public Library	121,134	127,049	174,291	4.9%	37.2%	37.2%
Bourbon Public Library	98,185	82,997	101,601	-15.5%	22.4%	22.4%
Bremen Public Library	507,713	491,517	512,259	-3.2%	4.2%	4.2%
Culver Public Library	422,368	445,077	449,043	5.4%	0.9%	0.9%
Plymouth Public Library	873,609	912,992	950,072	4.5%	4.1%	4.1%
Marshall County Solid Waste Mgt. District	269,779	234,481	243,365	-13.1%	3.8%	3.8%
Plymouth City Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Bremen Town Redevelopment Commission	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.

Marshall 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	2008	2008	2009	2008	2009
Bourbon Township	89.3	80.3	-10.1%	1,636,376	871,509	-46.7%	1.8326	1.0858	29.05%	48.96%	7.16%	0.00%	0.00%
Bourbon (Bourbon)	55.2	46.1	-16.6%	1,578,441	1,089,550	-31.0%	2.8574	2.3658	24.85%	54.07%	7.16%	0.00%	0.00%
German Township	264.3	227.3	-14.0%	5,064,917	2,876,945	-43.2%	1.9166	1.2656	26.67%	45.37%	7.16%	0.00%	0.00%
Bremen (German)	215.4	180.9	-16.0%	5,937,366	4,212,171	-29.1%	2.7559	2.3284	23.68%	50.41%	7.16%	0.00%	0.00%
Green Township	46.4	43.0	-7.3%	1,047,429	593,020	-43.4%	2.2586	1.3801	22.21%	42.00%	7.16%	0.00%	0.00%
Argos-Green	11.9	9.5	-20.1%	392,588	271,428	-30.9%	3.3111	2.8665	20.93%	49.29%	7.16%	0.00%	0.00%
North Township	163.5	135.8	-16.9%	2,925,081	1,506,412	-48.5%	1.7891	1.1090	27.93%	47.46%	7.16%	0.00%	0.00%
Lapaz (North)	18.5	16.6	-10.6%	408,291	264,133	-35.3%	2.2045	1.5949	25.41%	49.01%	7.16%	0.00%	0.00%
Polk Township	129.7	116.5	-10.1%	2,559,856	1,694,678	-33.8%	1.9741	1.4541	26.19%	45.25%	7.16%	0.00%	0.00%
Tippecanoe Township	65.2	57.7	-11.5%	1,163,066	583,582	-49.8%	1.7847	1.0116	29.34%	48.48%	7.16%	0.00%	0.00%
Union Township	460.7	443.9	-3.6%	6,409,638	3,524,067	-45.0%	1.3912	0.7938	23.66%	45.91%	7.16%	0.00%	0.00%
Culver (Union)	160.5	157.5	-1.9%	3,033,174	2,068,027	-31.8%	1.8893	1.3131	21.97%	50.29%	7.16%	0.00%	0.00%
Walnut Township	61.8	57.5	-7.0%	1,395,274	792,102	-43.2%	2.2564	1.3780	22.22%	41.99%	7.16%	0.00%	0.00%
Argos-Walnut	37.0	30.3	-18.1%	1,228,850	873,526	-28.9%	3.3230	2.8826	20.91%	49.32%	7.16%	0.00%	0.00%
West Township	221.6	198.0	-10.6%	4,407,386	2,849,177	-35.4%	1.9890	1.4390	23.61%	43.70%	7.16%	0.00%	0.00%
Center Township	293.0	236.4	-19.3%	5,799,760	3,395,306	-41.5%	1.9795	1.4360	23.56%	43.38%	7.16%	0.00%	0.00%
Plymouth (Center)	459.4	410.2	-10.7%	13,852,937	10,661,776	-23.0%	3.0157	2.5991	21.43%	50.09%	7.16%	0.00%	0.00%
Ply-West	11.4	11.9	5.0%	338,906	305,425	-9.9%	2.9848	2.5612	21.58%	50.26%	7.16%	0.00%	0.00%
County Totals/Averages	2,764.7	2,459.4	-11.0%	59,179,335	38,432,836	-35.1%	2.1404	1.5629	23.83%	46.83%	7.16%	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.

Marshall 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	
Marshall County	6,607,003	64	10,441	0	983	11,488
Bourbon Township	94,601	0	0	0	3	3
Center Township	442,650	8	1,206	0	116	1,330
German Township	250,540	0	0	0	10	10
Green Township	45,972	0	2	0	0	2
North Township	141,975	0	0	0	22	22
Polk Township	191,150	0	0	0	67	67
Tippecanoe Township	65,380	0	0	0	0	0
Union Township	225,574	0	0	0	2	2
Walnut Township	67,429	1	293	0	10	305
West Township	230,046	0	0	0	0	0
Plymouth Civil City	5,116,308	228	34,438	0	2,042	36,709
Argos Civil Town	615,032	79	16,138	0	161	16,378
Bourbon Civil Town	613,299	0	0	0	209	209
Bremen Civil Town	2,047,252	0	0	0	471	471
Culver Civil Town	875,893	0	0	0	77	77
Lapaz Civil Town	94,033	0	0	0	0	0
Culver Community School Corporation	2,286,626	0	0	0	54	54
Argos Community School Corporation	1,184,598	43	8,811	0	146	9,001
Bremen Public School Corporation	2,979,804	0	0	0	353	353
Plymouth Community School	7,735,583	170	25,710	0	1,879	27,760
Triton School Corporation	1,098,281	0	0	0	94	94
John Glenn School Corporation	1,146,214	0	0	0	404	404
Union-North United School Corporation	1,072,166	0	0	0	150	150
Argos Public Library	174,291	6	1,296	0	22	1,324
Bourbon Public Library	101,601	0	0	0	13	13
Bremen Public Library	512,259	0	0	0	61	61
Culver Public Library	449,043	0	0	0	11	11
Plymouth Public Library	950,072	21	3,158	0	231	3,409
Marshall County Solid Waste Management	243,365	2	384	0	36	423
Plymouth City Redevelopment Commission	0	0	0	0	0	0
Bremen Town Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	37,658,040	625	101,879	0	7,627	110,131

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.