

2011 Property Tax Report

Martin County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Martin 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 Martin County

The average homeowner saw a 9.7% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 27.8% lower than they were in 2007, before the property tax reforms.

92.1% of homeowners saw lower tax bills in 2011 than in 2007.

84.7% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% 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	2,325	89.1%	158	6.1%
No Change	205	7.9%	48	1.8%
Lower Tax Bill	78	3.0%	2,402	92.1%
Average Change in Tax Bill	9.7%		-27.8%	
Detailed Change in Tax Bill				
20% or More	117	4.5%	107	4.1%
10% to 19%	1,382	53.0%	18	0.7%
1% to 9%	826	31.7%	33	1.3%
0%	205	7.9%	48	1.8%
-1% to -9%	25	1.0%	100	3.8%
-10% to -19%	10	0.4%	319	12.2%
-20% to -29%	7	0.3%	620	23.8%
-30% to -39%	7	0.3%	502	19.2%
-40% to -49%	2	0.1%	350	13.4%
-50% to -59%	4	0.2%	110	4.2%
-60% to -69%	1	0.0%	71	2.7%
-70% to -79%	3	0.1%	65	2.5%
-80% to -89%	4	0.2%	61	2.3%
-90% to -99%	3	0.1%	52	2.0%
-100%	12	0.5%	152	5.8%
Total	2,608	100.0%	2,608	100.0%

Note: Percentages may not total due to rounding.

★★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND HIGHER TAX
 RATES RAISE HOMEOWNER
 TAX BILLS
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 9.7% on average in Martin County in 2011. This was more than the state average of 4.4%. Martin County homestead taxes were still 27.8% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to higher tax rates and partly to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.5% in Martin County in 2010.

Tax Rates

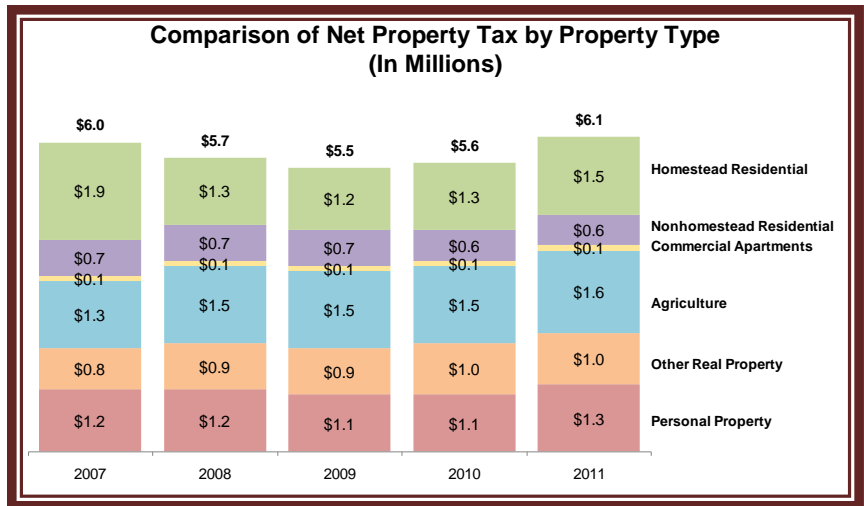
Property tax rates increased in all Martin County tax districts. The average tax rate increased by an average of 4.9%, mainly because of an increase in the levy. Levies in Martin County increased by 4.0%. The biggest levy increases were in the Loogootee Community Schools capital projects fund and the Shoals Community Schools bus replacement fund. Martin County's total net assessed value increased 3.8% in 2011. (The certified net AV used to compute tax declined by 0.9%.) Homestead and agricultural net assessments each increased by 2.0%. Other residential assessments showed an increase of 3.7%, while business net assessments grew by 6.7%.

★★★★★★
**TAX INCREASES FOR MOST CATEGORIES OF
 NONHOMESTEAD PROPERTY**
 ★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 9.0% in Martin County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 4.8%. Tax bills for commercial apartments fell 0.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 11.2%.

These tax bill changes reflect the tax rate increases and the assessment changes in Martin County in 2011. Agricultural tax bills rose 6.7%. This was partly 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.

★★★★★★
**TAX CAP CREDITS INCREASED
 IN 2011**
 ★★★★★★

Total tax cap credit losses in Martin County were \$255,870, or 4.3% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits. Martin County's average tax rate is less than the state median, but there are two districts with rates well above \$3 per \$100 assessed value.

More than two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category. By far the largest percentage losses were in the Shoals Town and Library District. These units are located in the only districts in the county with rates exceeding \$3. The largest dollar losses were in the Shoals Town and School Corporation, the Loogootee City and School Corporation, and the county unit.

Martin County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$12,092	\$127,634	\$20,446	\$3,664	\$163,836	2.8%
2011 Tax Cap Credits	29,932	178,146	36,773	11,019	255,870	4.3%
Change	\$17,840	\$50,512	\$16,327	\$7,355	\$92,034	1.4%

Tax cap credits increased in Martin County in 2011 by \$92,034, or 56%. The additional credits

represent an added loss of 1.4% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. Higher tax rates are the main reason for added tax cap credit losses, but the elimination of the state homestead credit added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had little effect on Martin County assessments for pay-2011. Property values and construction activity appear to have grown modestly in Martin County in 2009. Rising rates resulted from a decline in certified assessments, and those higher rates contributed to the added tax cap credit losses.

★★★★★★
**2009 RECESSION HAD LITTLE EFFECT
 ON ASSESSMENTS IN 2011**
 ★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$238,493,600	\$242,572,500	1.7%	\$81,201,243	\$82,795,081	2.0%
Other Residential	32,788,900	33,955,400	3.6%	30,352,718	31,474,892	3.7%
Ag Business/Land	88,228,000	90,126,100	2.2%	87,743,823	89,541,378	2.0%
Business Real/Personal	125,457,900	131,091,530	4.5%	104,939,756	111,969,820	6.7%
Total	\$484,968,400	\$497,745,530	2.6%	\$304,237,540	\$315,781,171	3.8%

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

Martin County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	8,037,392	8,448,451	5,529,124	5,751,249	5,984,064	5.1%	-34.6%	4.0%	4.0%
State Unit	7,374	7,948	0	0	0	7.8%	-100.0%		
Martin County	1,640,909	1,934,102	1,506,755	1,559,575	1,597,609	17.9%	-22.1%	3.5%	2.4%
Center Township	18,243	19,842	20,776	21,323	21,984	8.8%	4.7%	2.6%	3.1%
Halbert Township	31,820	32,267	35,684	37,031	37,914	1.4%	10.6%	3.8%	2.4%
Lost River Township	14,259	14,942	15,100	15,057	15,548	4.8%	1.1%	-0.3%	3.3%
Mitcheltree Township	26,778	30,290	32,164	33,370	34,229	13.1%	6.2%	3.7%	2.6%
Perry Township	50,733	52,708	55,727	57,527	59,269	3.9%	5.7%	3.2%	3.0%
Rutherford Township	17,196	17,998	19,171	19,868	20,353	4.7%	6.5%	3.6%	2.4%
Loogootee Civil City	401,127	438,755	434,286	452,559	463,839	9.4%	-1.0%	4.2%	2.5%
Crane Civil Town	0	0	0	0	0				
Shoals Civil Town	135,412	145,682	152,099	160,135	164,336	7.6%	4.4%	5.3%	2.6%
Shoals Community School Corp	2,694,647	2,690,365	1,724,952	1,730,729	1,813,276	-0.2%	-35.9%	0.3%	4.8%
Loogootee Community School Corp	2,817,301	2,871,718	1,334,358	1,452,329	1,585,994	1.9%	-53.5%	8.8%	9.2%
Loogootee Public Library	52,564	55,438	52,440	60,271	59,876	5.5%	-5.4%	14.9%	-0.7%
Shoals Public Library	17,505	18,826	19,657	20,691	21,229	7.5%	4.4%	5.3%	2.6%
Martin County Solid Waste Mgt Dist	111,524	117,570	125,955	130,784	88,608	5.4%	7.1%	3.8%	-32.2%

Martin 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	
51001	Center Township	2.0282	--	--	--	--	--	2.0282
51002	Shoals Town/Center Township	3.6143	--	--	--	--	--	3.6143
51003	Halbert Township	2.0185	--	--	--	--	--	2.0185
51004	Shoals Town/Halbert Township	3.6232	--	--	--	--	--	3.6232
51005	Lost River Township	2.0279	--	--	--	--	--	2.0279
51006	Mitcheltree Township	2.1612	--	--	--	--	--	2.1612
51007	Perry Township	1.5926	--	--	--	--	--	1.5926
51008	Loogootee City	2.4597	--	--	--	--	--	2.4597
51009	Crane Town	1.5728	--	--	--	--	--	1.5728
51010	Rutherford Township	1.5947	--	--	--	--	--	1.5947

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.

Martin 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>	29,932	178,146	36,773	11,019	255,870	5,984,064	4.3%
<i>TIF Total</i>	0	0	0	0	0	5,103	0.0%
<i>County Total</i>	29,932	178,146	36,773	11,019	255,870	5,989,167	4.3%
Martin County	6,242	35,709	5,493	2,678	50,122	1,597,609	3.1%
Center Township	196	495	85	28	804	21,984	3.7%
Halbert Township	76	549	391	30	1,045	37,914	2.8%
Lost River Township	2	138	0	16	156	15,548	1.0%
Mitcheltree Township	54	1,968	0	41	2,063	34,229	6.0%
Perry Township	245	1,221	0	148	1,614	59,269	2.7%
Rutherford Township	0	0	0	9	9	20,353	0.0%
Loogootee Civil City	4,478	26,052	0	1,652	32,182	463,839	6.9%
Crane Civil Town	0	0	0	0	0	0	
Shoals Civil Town	3,890	25,859	14,566	595	44,910	164,336	27.3%
Shoals Community School Corp	7,221	45,463	14,053	1,998	68,734	1,813,276	3.8%
Loogootee Community School Corp	6,102	32,009	0	3,385	41,496	1,585,994	2.6%
Loogootee Public Library	578	3,363	0	213	4,154	59,876	6.9%
Shoals Public Library	503	3,341	1,882	77	5,802	21,229	27.3%
Martin County Solid Waste Mgt Dist	0	0	0	0	0	0	
Martin County Solid Waste Mgt Dist	346	1,981	305	149	2,780	88,608	3.1%
TIF - Crane TIF 09	0	0	0	0	0	5,103	0.0%

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.