

# 2010 Property Tax Report

## Miami County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Miami 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 Miami 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 Miami 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	6,585	79.9%	50	0.6%
No Change	976	11.8%	139	1.7%
Lower Tax Bill	682	8.3%	8,054	97.7%
<b>Average Change in Tax Bill</b>	<b>25.4%</b>		<b>-76.8%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	4,204	51.0%	41	0.5%
10% to 19%	1,192	14.5%	3	0.0%
1% to 9%	1,189	14.4%	6	0.1%
0%	976	11.8%	139	1.7%
-1% to -9%	264	3.2%	16	0.2%
-10% to -19%	83	1.0%	23	0.3%
-20% to -29%	50	0.6%	34	0.4%
-30% to -39%	43	0.5%	88	1.1%
-40% to -49%	30	0.4%	155	1.9%
-50% to -59%	28	0.3%	424	5.1%
-60% to -69%	16	0.2%	1,011	12.3%
-70% to -79%	24	0.3%	2,166	26.3%
-80% to -89%	16	0.2%	2,644	32.1%
-90% to -99%	7	0.1%	663	8.0%
-100%	121	1.5%	830	10.1%
<b>Total</b>	<b>8,243</b>	<b>100.0%</b>	<b>8,243</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw a 25.4% tax bill increase from 2009 to 2010.

97.7% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 76.8% lower than they were in 2007, before the property tax reforms.

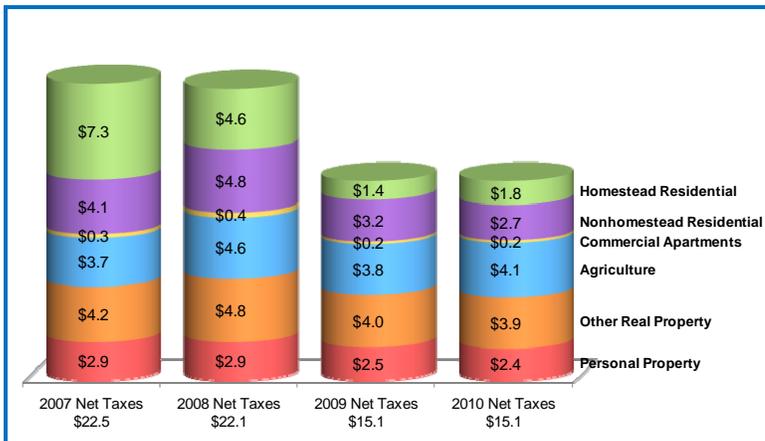
51.0% of homeowners saw tax increases of 20% or more from 2009 to 2010.

The largest percentage of homeowners have seen between a 70% and 89% decrease in their tax bills from 2007 to 2010.

### Miami County Overview

The much larger-than-average increase in homeowner tax bills had several causes. Miami County homeowner taxes are low, due to large local homestead credits funded by local income taxes. Even small increases in homeowner taxes will produce large percentage increases. Property tax levies increased 6% in Miami County in 2010, more than the state average increase of 2.4%. The largest levy increase was in the Peru Community School Corporation debt service fund. Miami County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because the local homestead credit keeps homeowner taxes below the tax cap threshold. The county saw a decrease in local homestead property tax credit rates in 2010, however, because of a decrease in the local income tax revenues which fund them.

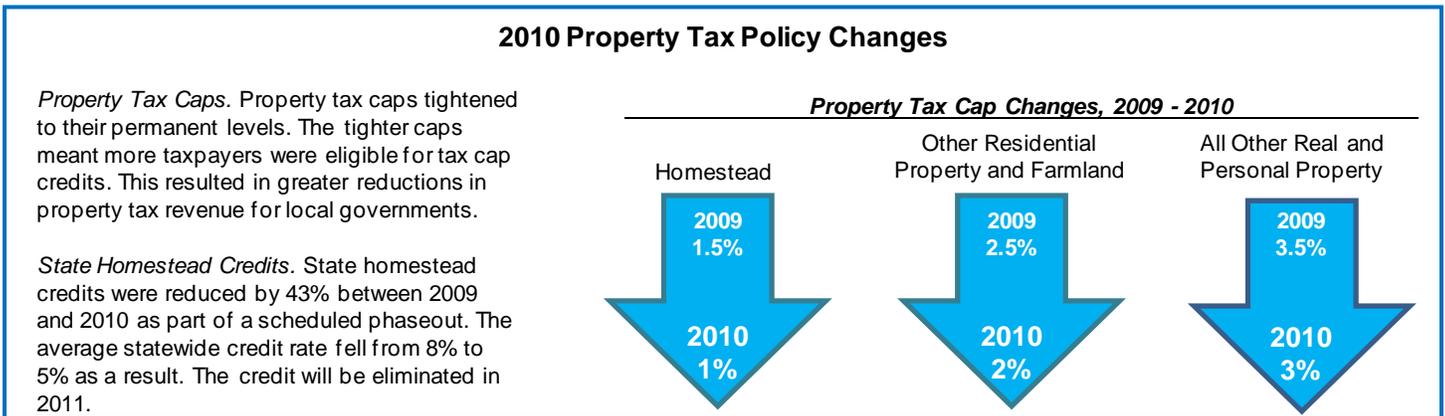
**Comparison of Net Property Tax by Property Type**  
(In Millions)



Net tax bills for all taxpayers increased 0.2% in Miami County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 16.6% increase in tax bills. This large increase was due mainly to new investment. Existing apartment parcels declined by 16.4%, caused mainly by 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 13.9% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.0% and 6.0% decrease, respectively, in tax bills in

2010. This was mainly due to the tightening of the tax caps from 3.5% to 3%.

Agricultural business property saw a 7.5% increase in tax payments in 2010 because of the Miami County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



### Tax Cap Credits

Tax cap credits in Miami County in 2010 amounted to 8.7% of the total property tax levy. The statewide average was 6.3%. The larger percentage loss in the county was partly due to slightly higher-than-average tax rates in Miami County. Net tax rates, after LOIT-funded property tax replacement credits, exceeded \$2 in 8 of 22 taxing districts, which qualified a large amount of residential property for circuit breaker credits at the 2% cap. Net tax rates exceeded \$3 in 4 taxing districts where about one half of the commercial or industrial property assessed value is located. This property, in the 3% tax cap category, qualified for credits. Neither Miami County net tax rates nor home values were high enough for more than a few homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category  
Miami County Total \$2,089,488**

1%	2%	3%	Elderly
\$1,815	\$1,094,403	\$985,548	\$7,723
0.1%	52.4%	47.2%	0.4%

Miami County, Peru City, and the Peru Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, Peru City and the Peru Public Library lost the most, at 17.2% and 18.9%, respectively. Losses were greatest for units that overlapped the Peru City, because its tax districts had the highest tax rates.

### The Effects of Recession

In Miami County the recession has had a large effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 5.9% in December 2007 to 14.0% in July 2009. Job losses and income declines contributed to a 4.9% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Miami County in 2010.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	956,459,290	932,354,600	-2.5%
Other Residential	134,533,300	133,273,100	-0.9%
Ag Business/Land	262,827,600	271,873,300	3.4%
Business Real/Personal	323,834,460	325,391,370	0.5%
<b>Total</b>	<b>\$1,677,654,650</b>	<b>\$1,662,892,370</b>	<b>-0.9%</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 Miami County, the gross assessed value of business real and personal property grew by 0.5% in 2010. Most other assessment categories decreased, and total gross assessed value in Miami County fell 0.9%. This was lower 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.

### Miami County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	32,939,347	35,170,602	22,243,438	23,584,392	6.8%	-36.8%	6.0%
State Unit	27,835	29,346	0	0	5.4%	-100.0%	
Miami County	7,757,947	7,700,961	5,369,432	5,738,100	-0.7%	-30.3%	6.9%
Allen Township	17,723	15,426	15,832	28,162	-13.0%	2.6%	77.9%
Butler Township	11,501	12,350	12,826	13,300	7.4%	3.9%	3.7%
Clay Township	18,090	18,791	19,691	20,402	3.9%	4.8%	3.6%
Deer Creek Township	20,291	21,374	22,619	23,451	5.3%	5.8%	3.7%
Erie Township	13,477	14,516	15,041	15,619	7.7%	3.6%	3.8%
Harrison Township	14,765	15,669	16,294	7,846	6.1%	4.0%	-51.8%
Jackson Township	27,218	28,685	30,248	31,378	5.4%	5.4%	3.7%
Jefferson Township	36,809	38,539	40,898	42,412	4.7%	6.1%	3.7%
Perry Township	21,674	23,262	24,908	25,792	7.3%	7.1%	3.5%
Peru Township	186,568	112,522	119,125	123,489	-39.7%	5.9%	3.7%
Pipe Creek Township	44,079	41,637	44,006	46,375	-5.5%	5.7%	5.4%
Richland Township	15,395	16,016	17,054	17,703	4.0%	6.5%	3.8%
Union Township	16,168	17,835	19,392	20,114	10.3%	8.7%	3.7%
Washington Township	49,198	52,899	54,973	57,055	7.5%	3.9%	3.8%
Peru Civil City	4,829,852	5,974,014	5,846,332	6,010,782	23.7%	-2.1%	2.8%
Amboy Civil Town	34,440	35,950	33,100	33,100	4.4%	-7.9%	0.0%
Bunker Hill Civil Town	162,461	174,411	181,664	187,884	7.4%	4.2%	3.4%
Converse Civil Town	208,998	224,728	200,784	221,656	7.5%	-10.7%	10.4%
Denver Civil Town	16,300	17,805	4,361	20,102	9.2%	-75.5%	360.9%
Macy Civil Town	12,206	13,761	14,585	14,584	12.7%	6.0%	0.0%
Maconaquah School Corp	6,526,951	7,330,606	3,393,344	3,072,154	12.3%	-53.7%	-9.5%
North Miami Consolidated School Corp	3,817,805	4,132,642	2,009,099	2,291,244	8.2%	-51.4%	14.0%
Oak Hill United School Corp	1,538,969	1,359,588	842,063	813,417	-11.7%	-38.1%	-3.4%
Peru Community School Corp	7,097,302	7,334,594	3,488,102	4,281,282	3.3%	-52.4%	22.7%
Converse Public Library	63,098	67,923	70,605	73,371	7.6%	3.9%	3.9%
Peru Public Library	344,134	333,845	334,264	353,618	-3.0%	0.1%	5.8%
Miami County Solid Waste Mgt Dist	0	0	0	0			
Converse Town Redevelopment Comm	8,093	10,907	2,796	0	34.8%	-74.4%	-100.0%
Miami County Redevelopment (Grissom)	0	0	0	0			

**Miami 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	
52001	Allen Township	1.6776	11.0978%	4.9302%	4.8775%	44.0613%	--	32.0505%	10.6453%	0.0000
52002	Macy Town	2.2761	11.0978%	4.9302%	5.8595%	7.0865%	--	32.0505%	10.6453%	0.6448
52003	Butler Township	1.4310	11.0978%	4.9302%	4.6356%	23.1718%	--	32.0505%	10.6453%	0.1927
52004	Clay Township	1.4424	11.0978%	4.9302%	4.6622%	21.5016%	--	32.0505%	10.6453%	0.2180
52005	Deer Creek Township	1.4390	11.0978%	4.9302%	4.6124%	12.1744%	--	32.0505%	10.6453%	0.3524
52006	Erie Township	1.9098	11.0978%	4.9302%	3.2929%	2.7880%	--	32.0505%	10.6453%	0.6722
52007	Harrison Township	1.4175	11.0978%	4.9302%	4.6036%	20.5553%	--	32.0505%	10.6453%	0.2285
52009	Jackson Township	2.1229	11.0978%	4.9302%	3.8415%	48.5325%	--	32.0505%	10.6453%	0.0000
52010	Amboy Town	2.6099	11.0978%	4.9302%	4.6481%	16.8447%	--	32.0505%	10.6453%	0.5163
52011	Converse Town	3.7178	11.0978%	4.9302%	5.6470%	23.9441%	--	32.0505%	10.6453%	0.4344
52012	Jefferson Township	1.6378	11.0978%	4.9302%	5.0392%	8.3658%	--	32.0505%	10.6453%	0.4565
52013	Denver Town	1.9152	11.0978%	4.9302%	4.7061%	2.2450%	--	32.0505%	10.6453%	0.6574
52014	Perry Township	1.6194	11.0978%	4.9302%	5.0056%	29.2941%	--	32.0505%	10.6453%	0.1130
52015	Peru Township	2.6805	11.0978%	4.9302%	2.2775%	17.8161%	--	32.0505%	10.6453%	0.5678
52016	Peru City-Peru Township	4.2846	11.0978%	4.9302%	4.0213%	24.7307%	--	32.0505%	10.6453%	0.5366
52017	Pipe Creek Township	1.4327	11.0978%	4.9302%	4.6396%	30.3119%	--	32.0505%	10.6453%	0.0906
52018	Bunker Hill Town	2.9666	11.0978%	4.9302%	6.3771%	1.4532%	--	32.0505%	10.6453%	0.9922
52019	Richland Township	1.6104	11.0978%	4.9302%	4.9888%	4.3973%	--	32.0505%	10.6453%	0.5136
52020	Union Township	1.6355	11.0978%	4.9302%	5.0350%	4.1665%	--	32.0505%	10.6453%	0.5246
52021	Washington Township	1.4728	11.0978%	4.9302%	4.6286%	22.6992%	--	32.0505%	10.6453%	0.2054
52022	Peru City-Annex-Washington Twp	3.8314	11.0978%	4.9302%	4.6009%	0.0034%	--	32.0505%	10.6453%	1.4050
52023	Peru City South-Washington Twp	4.2797	11.0978%	4.9302%	3.9814%	4.9427%	--	32.0505%	10.6453%	1.3846

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.

### Miami 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>	1,815	1,091,556	974,763	7,723	2,075,856	23,584,392	8.8%
<i>TIF Total</i>	0	2,847	10,784	0	13,631	315,560	4.3%
<i>County Total</i>	1,815	1,094,403	985,548	7,723	2,089,488	23,899,952	8.7%
Miami County	257	152,451	130,879	2,114	285,700	5,738,100	5.0%
Allen Township	0	0	0	1	1	28,162	0.0%
Butler Township	0	0	0	0	0	13,300	0.0%
Clay Township	0	0	0	10	10	20,402	0.0%
Deer Creek Township	0	0	0	4	4	23,451	0.0%
Erie Township	0	0	0	18	18	15,619	0.1%
Harrison Township	0	0	0	1	1	7,846	0.0%
Jackson Township	0	302	95	3	400	31,378	1.3%
Jefferson Township	0	0	0	80	80	42,412	0.2%
Perry Township	0	0	0	5	5	25,792	0.0%
Peru Township	0	8,687	9,175	35	17,897	123,489	14.5%
Pipe Creek Township	1	114	0	9	124	46,375	0.3%
Richland Township	0	0	0	8	8	17,703	0.0%
Union Township	0	0	0	6	6	20,114	0.0%
Washington Township	15	1,545	277	6	1,842	57,055	3.2%
Peru Civil City	901	529,714	504,789	1,130	1,036,534	6,010,782	17.2%
Amboy Civil Town	0	263	0	26	289	33,100	0.9%
Bunker Hill Civil Town	74	10,832	0	168	11,074	187,884	5.9%
Converse Civil Town	0	18,805	6,152	91	25,047	221,656	11.3%
Denver Civil Town	0	0	0	47	47	20,102	0.2%
Macy Civil Town	0	0	0	15	15	14,584	0.1%
Maconaquah School Corp	113	9,110	327	607	10,157	3,072,154	0.3%
North Miami Consolidated School Corp	0	0	0	1,715	1,715	2,291,244	0.1%
Oak Hill United School Corp	0	16,317	5,116	143	21,575	813,417	2.7%
Peru Community School Corp	395	308,205	284,478	1,425	594,503	4,281,282	13.9%
Converse Public Library	0	1,472	461	13	1,946	73,371	2.7%
Peru Public Library	59	33,739	33,016	45	66,859	353,618	18.9%
Miami County Solid Waste Mgt Dist	0	0	0	0	0	0	
Converse Town Redevelopment Comm	0	0	0	0	0	0	
Miami County Redevelopment (Grissom)	0	0	0	0	0	0	
TIF - Converse TIF	0	2,847	10,784	0	13,631	155,113	8.8%
TIF - Pipe Creek TIF	0	0	0	0	0	160,447	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.