

2009 MONTGOMERY 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 Montgomery County

Average Decrease
in Homeowner
Property Tax Bills
2008 to 2009
68.8%

Average Decrease
in Homeowner
Property Tax Bills
2007 to 2009
92.2%

Percentage of
Homeowners with
Decrease in
Property Tax Bill
2008 to 2009
97.8%

Percentage of
Homeowners with
Decrease in
Property Tax Bill
2007 to 2009
99.2%

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	150	1.6%	37	0.4%
10% to 19%	9	0.1%	8	0.1%
1% to 9%	13	0.1%	2	0.0%
0%	39	0.4%	32	0.3%
-1% to -9%	23	0.2%	12	0.1%
-10% to -19%	39	0.4%	15	0.2%
-20% to -29%	133	1.4%	15	0.2%
-30% to -39%	345	3.7%	12	0.1%
-40% to -49%	580	6.2%	30	0.3%
-50% to -59%	741	7.9%	70	0.7%
-60% to -69%	835	8.9%	181	1.9%
-70% to -79%	1,531	16.3%	502	5.3%
-80% to -89%	3,787	40.2%	1,338	14.2%
-90% to -99%	951	10.1%	6,914	73.4%
-100%	240	2.5%	248	2.6%
Total	9,416	100.0%	9,416	100.0%
Higher Tax Bill	172	1.8%	47	0.5%
No Change	39	0.4%	32	0.3%
Lower Tax Bill	9,205	97.8%	9,337	99.2%
Average Change in Tax Bill	-68.8%		-92.2%	

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	Montgomery County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-7.9%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-37.6%	-30.6%
State PTRC Percentage, 2008	18.7%	20.1%
Total State Homestead Credit, 2008	34.1%	39.5%
Total State Homestead Credit, 2009	9.2%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	Yes	

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. Average homeowner tax bills in Montgomery County decreased by 68.8%. Montgomery County saw a smaller-than-average decrease in assessed value in 2009, and Montgomery local units decreased their local tax levies as well. The county significantly reduced general fund and jail lease/rental levies. Crawfordsville Schools significantly reduced debt, capital projects and transportation levies, and eliminated the school bus replacement levy. This resulted in a larger-than-average reduction in tax rates. In addition, the county adopted a local option income tax for property tax relief in 2008, and it continued to reduce homeowner tax bills in 2009. All these factors contributed

2009 Property Tax Changes:

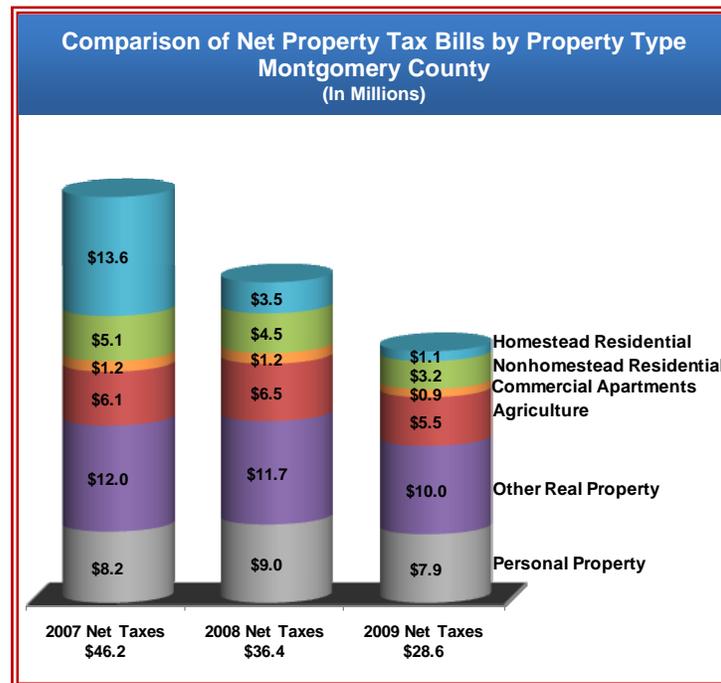
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

to a very large reduction in homeowner tax bills. No Montgomery County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Montgomery County, as they were in most Indiana counties.



In Montgomery County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 28.9% decline in average property tax bills. Average tax bills on commercial apartments decreased 25.0%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 15.4% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 14.5%. Personal property, which is largely business equipment, saw a 12.2% decrease in average tax bills.

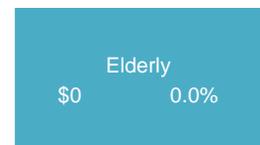
Circuit Breaker Tax Caps. Property tax caps limit taxpayers' tax bills to a fixed percentage of their property's assessed value before deductions. Tax bills that exceed the caps are reduced by a tax credit. The cap rates were 1.5% for homesteads, 2.5% for other residential property and farmland, and 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 Montgomery County \$237,227

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



Montgomery 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	\$57,753,226	\$56,939,232	\$35,445,236	-1.4%	-37.7%	-11.2%
State Unit	44,481	47,454	0	6.7%	-100.0%	
Montgomery County	10,204,579	9,453,161	5,900,022	-7.4%	-37.6%	-16.8%
Brown Township	44,947	46,206	58,592	2.8%	26.8%	26.8%
Clark Township	31,148	31,982	32,499	2.7%	1.6%	1.6%
Coal Creek Township	125,634	91,822	101,959	-26.9%	11.0%	11.0%
Franklin Township	29,722	31,442	30,386	5.8%	-3.4%	-3.4%
Madison Township	130,154	131,681	139,263	1.2%	5.8%	5.8%
Ripley Township	62,548	51,737	107,241	-17.3%	107.3%	107.3%
Scott Township	30,975	31,692	32,517	2.3%	2.6%	2.6%
Sugar Creek Township	17,609	18,069	18,613	2.6%	3.0%	3.0%
Union Township	488,792	500,364	490,292	2.4%	-2.0%	-2.0%
Walnut Township	34,180	35,085	34,968	2.6%	-0.3%	-0.3%
Wayne Township	86,055	69,351	75,149	-19.4%	8.4%	8.4%
Crawfordsville Civil City	7,188,139	7,441,264	6,514,365	3.5%	-12.5%	-7.1%
Alamo Civil Town	4,889	5,045	4,408	3.2%	-12.6%	-12.6%
Darlington Civil Town	69,789	72,224	70,184	3.5%	-2.8%	-2.8%
Ladoga Civil Town	109,399	112,874	146,417	3.2%	29.7%	29.7%
Linden Civil Town	74,328	72,711	59,618	-2.2%	-18.0%	-18.0%
New Market Civil Town	47,030	49,942	47,047	6.2%	-5.8%	-5.8%
Waveland Civil Town	26,141	27,791	28,949	6.3%	4.2%	4.2%
Waynetown Civil Town	69,066	71,369	73,065	3.3%	2.4%	2.4%
Wingate Civil Town	59,791	53,288	47,019	-10.9%	-11.8%	-11.8%
New Richmond Civil Town	57,159	58,523	61,598	2.4%	5.3%	5.3%
New Ross Civil Town	27,855	28,474	29,386	2.2%	3.2%	3.2%
North Montgomery Community School Corp.	12,517,144	11,442,464	6,085,075	-8.6%	-46.8%	-6.7%
South Montgomery Community School Corp.	12,160,451	12,290,008	7,766,421	1.1%	-36.8%	16.2%
Crawfordsville Community School Corporation	12,223,252	12,699,664	5,684,750	3.9%	-55.2%	-37.2%
Crawfordsville Public Library	1,461,759	1,682,119	1,505,790	15.1%	-10.5%	-10.5%
Darlington Public Library	52,250	54,179	55,136	3.7%	1.8%	1.8%
Ladoga Public Library	40,454	41,797	44,056	3.3%	5.4%	5.4%
Linden Public Library	175,249	133,168	135,694	-24.0%	1.9%	1.9%
Waveland Public Library	58,257	62,282	64,757	6.9%	4.0%	4.0%
West Central Indiana Solid Waste Mgt. District	0	0	0	0.0%	0.0%	0.0%
Crawfordsville 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.

Montgomery 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
	Brown Township	35.9	32.0	-10.9%	804,156	496,587	-38.2%	2.2407	1.5532	22.15%	34.44%	9.22%	48.17%
Brown Township-Lr Conservancy	27.6	28.4	3.0%	617,628	440,971	-28.6%	2.2407	1.5532	22.15%	34.44%	9.22%	48.17%	88.98%
New Market Town-Brown Township	2.9	2.1	-28.1%	75,239	42,032	-44.1%	2.5768	2.0034	21.35%	37.11%	9.22%	48.17%	88.98%
Waveland Town	0.5	0.6	14.6%	12,120	10,425	-14.0%	2.4941	1.8726	21.52%	36.68%	9.22%	48.17%	88.98%
Waveland Town-Lr Conservancy	8.5	7.1	-16.8%	213,073	133,176	-37.5%	2.4941	1.8726	21.58%	36.64%	9.22%	48.17%	88.98%
Clark Township	53.3	47.1	-11.7%	1,168,346	700,966	-40.0%	2.1906	1.4881	22.31%	34.02%	9.22%	48.17%	88.98%
Ladoga Town	23.9	21.7	-9.2%	631,617	464,879	-26.4%	2.6401	2.1394	20.77%	36.36%	9.22%	48.17%	88.98%
Coal Creek Township	74.3	70.9	-4.6%	1,651,409	991,449	-40.0%	2.2217	1.3976	21.29%	34.07%	9.22%	48.17%	88.98%
Wingate Town	6.0	5.3	-11.8%	181,300	115,387	-36.4%	3.0175	2.1765	20.37%	40.65%	9.22%	48.17%	88.98%
New Richmond Town	8.0	6.1	-23.8%	228,236	139,906	-38.7%	2.8653	2.3040	20.59%	39.90%	9.22%	48.17%	88.98%
Franklin Township	69.1	61.4	-11.2%	1,527,199	847,467	-44.5%	2.2093	1.3809	21.78%	35.12%	9.22%	48.17%	88.98%
Darlington Town	15.4	11.1	-27.9%	408,399	220,451	-46.0%	2.6526	1.9864	20.28%	37.00%	9.22%	48.17%	88.98%
Madison Township	60.5	81.9	35.3%	1,477,099	1,263,834	-14.4%	2.4416	1.5440	20.53%	35.20%	9.22%	48.17%	88.98%
Linden Town	17.8	14.5	-18.3%	507,091	283,866	-44.0%	2.8503	1.9527	19.70%	37.49%	9.22%	48.17%	88.98%
Ripley Township	43.8	39.1	-10.8%	965,466	639,840	-33.7%	2.2019	1.6360	22.36%	34.34%	9.22%	48.17%	88.98%
Alamo Town	1.7	1.0	-38.0%	41,552	21,225	-48.9%	2.5062	2.0648	21.29%	36.06%	9.22%	48.17%	88.98%
Scott Township	47.3	46.8	-1.1%	1,018,641	672,666	-34.0%	2.1547	1.4384	22.41%	33.65%	9.22%	48.17%	88.98%
New Market Town-Scott Township	3.0	2.2	-28.9%	75,193	40,570	-46.0%	2.4871	1.8865	21.59%	36.57%	9.22%	48.17%	88.98%
Sugar Creek Township	38.8	38.0	-2.0%	833,638	496,820	-40.4%	2.1499	1.3079	21.90%	34.48%	9.22%	48.17%	88.98%
Union Twp-N. Montgomery Schools	182.4	151.0	-17.2%	4,181,368	2,189,303	-47.6%	2.2924	1.4499	21.01%	34.41%	9.22%	48.17%	88.98%
Union Twp-S. Montgomery Schools	397.5	405.4	2.0%	9,052,355	6,326,146	-30.1%	2.2773	1.5603	21.54%	33.45%	9.22%	48.17%	88.98%
Union Township-Crawfordsville	59.8	42.7	-28.7%	1,897,817	794,297	-58.1%	3.1711	1.8621	14.98%	28.67%	9.22%	48.17%	88.98%
Crawfordsville City-N. Montgomery	164.5	152.9	-7.1%	5,556,100	3,865,761	-30.4%	3.3778	2.5287	18.93%	39.60%	9.22%	48.17%	88.98%
Crawfordsville City-S. Montgomery	47.1	49.8	5.8%	1,582,857	1,314,360	-17.0%	3.3627	2.6391	19.28%	39.01%	9.22%	48.17%	88.98%
Crawfordsville City-Crawfordsville	447.8	379.2	-15.3%	19,062,111	11,151,860	-41.5%	4.2565	2.9409	14.87%	34.06%	9.22%	48.17%	88.98%
New Market-Union Township	6.8	5.0	-26.9%	179,695	101,339	-43.6%	2.6247	2.0239	20.88%	36.45%	9.22%	48.17%	88.98%
Walnut Township	58.2	51.6	-11.4%	1,249,707	740,317	-40.8%	2.1464	1.4350	22.45%	33.60%	9.22%	48.17%	88.98%
New Ross Town	6.3	4.8	-25.0%	162,073	95,600	-41.0%	2.5562	2.0095	20.33%	34.25%	9.22%	48.17%	88.98%
Wayne Township	50.7	48.4	-4.6%	1,117,633	668,422	-40.2%	2.2048	1.3815	21.42%	34.14%	9.22%	48.17%	88.98%
Waynetown Town	17.6	12.9	-27.0%	460,246	250,902	-45.5%	2.6095	1.9491	20.38%	36.79%	9.22%	48.17%	88.98%
County Totals/Averages	1,977.2	1,820.8	-7.9%	56,939,363	35,520,821	-37.6%	2.8797	1.9507	18.71%	34.09%	9.22%	48.17%	88.98%

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.

Montgomery County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	Total
Montgomery County	5,900,022	0	26,193	0	0	26,193
Brown Township	58,592	0	0	0	0	0
Clark Township	32,499	0	0	0	0	0
Coal Creek Township	101,959	0	0	0	0	0
Franklin Township	30,386	0	0	0	0	0
Madison Township	139,263	0	0	0	0	0
Ripley Township	107,241	0	0	0	0	0
Scott Township	32,517	0	0	0	0	0
Sugar Creek Township	18,613	0	0	0	0	0
Union Township	490,292	0	1,521	0	0	1,521
Walnut Township	34,968	0	0	0	0	0
Wayne Township	75,149	0	0	0	0	0
Crawfordsville Civil City	6,514,365	0	90,643	0	0	90,643
Alamo Civil Town	4,408	0	0	0	0	0
Darlington Civil Town	70,184	0	0	0	0	0
Ladoga Civil Town	146,417	0	0	0	0	0
Linden Civil Town	59,618	0	0	0	0	0
New Market Civil Town	47,047	0	0	0	0	0
Waveland Civil Town	28,949	0	0	0	0	0
Waynetown Civil Town	73,065	0	0	0	0	0
Wingate Civil Town	47,019	0	0	0	0	0
New Richmond Civil Town	61,598	0	0	0	0	0
New Ross Civil Town	29,386	0	0	0	0	0
North Montgomery Community School Corporation	6,085,075	0	0	0	0	0
South Montgomery Community School Corporation	7,766,421	0	136	0	0	136
Crawfordsville Community School Corporation	5,684,750	0	108,457	0	0	108,457
Crawfordsville Public Library	1,505,790	0	10,277	0	0	10,277
Darlington Public Library	55,136	0	0	0	0	0
Ladoga Public Library	44,056	0	0	0	0	0
Linden Public Library	135,694	0	0	0	0	0
Waveland Public Library	64,757	0	0	0	0	0
West Central Indiana Solid Waste Management	0	0	0	0	0	0
Crawfordsville Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	35,445,236	0	237,227	0	0	237,227

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.