

2009 OWEN COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

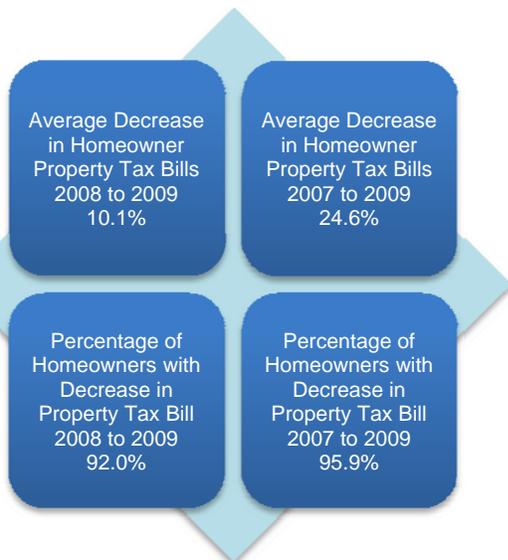


Legislative Services Agency

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 Owen 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	86	1.6%	90	1.7%
10% to 19%	41	0.8%	29	0.5%
1% to 9%	258	4.8%	65	1.2%
0%	43	0.8%	36	0.7%
-1% to -9%	1,952	36.4%	174	3.2%
-10% to -19%	919	17.1%	893	16.6%
-20% to -29%	1,086	20.2%	1,686	31.4%
-30% to -39%	484	9.0%	1,124	20.9%
-40% to -49%	124	2.3%	712	13.3%
-50% to -59%	86	1.6%	186	3.5%
-60% to -69%	60	1.1%	94	1.8%
-70% to -79%	51	1.0%	66	1.2%
-80% to -89%	48	0.9%	68	1.3%
-90% to -99%	20	0.4%	30	0.6%
-100%	109	2.0%	114	2.1%
Total	5,367	100.0%	5,367	100.0%
Higher Tax Bill	385	7.2%	184	3.4%
No Change	43	0.8%	36	0.7%
Lower Tax Bill	4,939	92.0%	5,147	95.9%
Average Change in Tax Bill	-10.1%		-24.6%	

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	Owen County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-13.5%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-28.6%	-30.6%
State PTRC Percentage, 2008	19.5%	20.1%
Total State Homestead Credit, 2008	34.3%	39.5%
Total State Homestead Credit, 2009	6.2%	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. Average homeowner tax bills in Owen County decreased by 10.1%. Owen County homeowners received relatively low property tax replacement and homestead credit rates in 2008. The loss of this relatively small amount of tax relief did not offset the tax reduction effects of the new 35% supplemental homestead deduction and the levy elimination, so homeowner tax bills fell. Owen County did not adopt a local option income tax for property tax

relief, and few Owen County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Owen County, as they were in most Indiana counties.

2009 Property Tax Changes:

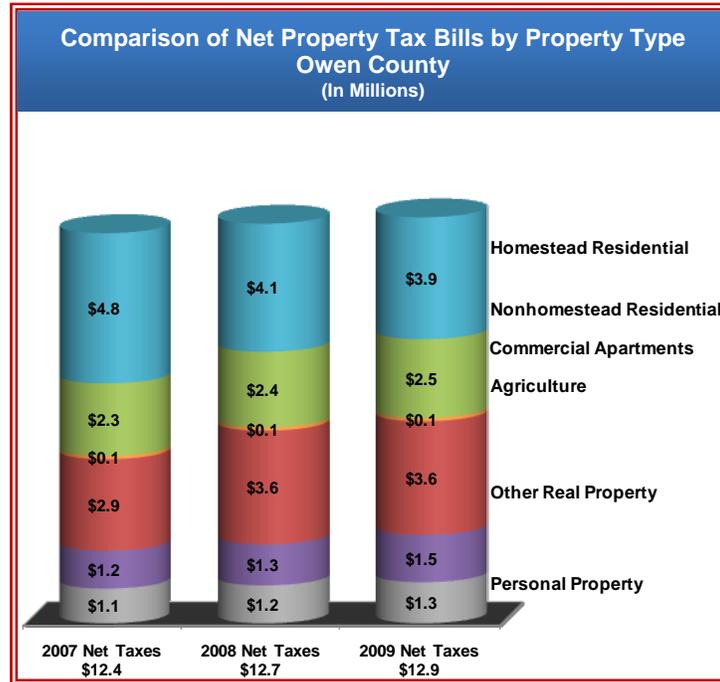
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.



In Owen County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 2% increase in average property tax bills. There was a 4% decrease in average tax bills on commercial apartments. Also, there was no significant change in average tax bills for agricultural business real property (which includes farmland and farm buildings, but not homesteads). Other commercial, industrial, and utility real property average tax bills increased 15%. Personal property, which is largely business equipment, saw a 5% increase 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 Owen County \$26,041

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

1.5 %
Homestead
qualifying property
\$24,160 92.8%

2.5%
Other qualified
residential property
\$0 0.0%

3.5%
All other real and
personal property
\$0 0.0%

Elderly
\$1,881 7.2%

Owen 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	\$16,237,860	\$18,304,056	\$12,744,957	12.7%	-30.4%	0.3%
State Unit	16,980	17,752	0	4.5%	-100.0%	
Owen County	2,682,757	3,264,232	2,675,816	21.7%	-18.0%	1.6%
Clay Township	34,315	35,647	35,619	3.9%	-0.1%	-0.1%
Franklin Township	20,464	21,944	22,825	7.2%	4.0%	4.0%
Harrison Township	8,970	9,582	9,991	6.8%	4.3%	4.3%
Jackson Township	13,570	14,743	15,940	8.6%	8.1%	8.1%
Jefferson Township	22,561	18,715	19,785	-17.0%	5.7%	5.7%
Jennings Township	11,723	12,696	13,420	8.3%	5.7%	5.7%
Lafayette Township	9,310	10,022	10,402	7.6%	3.8%	3.8%
Marion Township	14,570	15,161	16,038	4.1%	5.8%	5.8%
Montgomery Township	10,579	10,998	10,898	4.0%	-0.9%	-0.9%
Morgan Township	11,285	16,906	22,415	49.8%	32.6%	32.6%
Taylor Township	12,047	13,352	13,901	10.8%	4.1%	4.1%
Washington Township	55,034	38,725	20,850	-29.6%	-46.2%	-46.2%
Wayne Township	17,904	19,703	20,512	10.0%	4.1%	4.1%
Gosport Civil Town	43,945	56,172	57,251	27.8%	1.9%	1.9%
Spencer Civil Town	694,548	797,347	819,900	14.8%	2.8%	2.8%
Spencer-Owen Community School Corporation	9,797,380	10,931,727	6,845,855	11.6%	-37.4%	1.1%
Cloverdale Community School Corporation	2,200,136	2,333,511	1,431,271	6.1%	-38.7%	-7.7%
Spencer-Owen County Public Library	511,507	610,980	629,164	19.4%	3.0%	3.0%
Clay-Owen-Vigo Solid Waste Mgt. District	0	0	0	0.0%	0.0%	0.0%
Poland Fire Territory (Jackson Township)	48,275	54,141	53,104	12.2%	-1.9%	-1.9%

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.

Owen 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	Rate-Real	2008	2009	2008	2009
Clay Township	81.0	65.4	-19.3%	1,884,624	1,235,068	-34.5%	2.3265	1.8898	19.61%	34.02%	6.17%	0.00%	0.00%
Franklin Township	47.1	40.1	-14.7%	1,096,069	759,428	-30.7%	2.3293	1.8915	19.68%	34.22%	6.17%	0.00%	0.00%
Harrison Township	21.4	19.3	-9.9%	498,344	363,895	-27.0%	2.3274	1.8868	19.76%	34.40%	6.17%	0.00%	0.00%
Jackson Township	48.2	41.4	-14.2%	1,282,057	886,021	-30.9%	2.6583	2.1418	19.92%	32.83%	6.17%	0.00%	0.00%
Jefferson Township	40.5	37.4	-7.7%	942,869	705,580	-25.2%	2.3289	1.8876	19.67%	34.19%	6.17%	0.00%	0.00%
Jennings Township	28.8	25.1	-12.8%	736,042	508,281	-30.9%	2.5598	2.0268	21.30%	35.16%	6.17%	0.00%	0.00%
Lafayette Township	36.5	31.1	-15.0%	844,316	580,398	-31.3%	2.3101	1.8676	19.75%	34.18%	6.17%	0.00%	0.00%
Marion Township	34.7	31.1	-10.4%	807,100	586,026	-27.4%	2.3264	1.8860	19.73%	34.32%	6.17%	0.00%	0.00%
Montgomery Township	38.8	32.7	-15.7%	896,398	610,825	-31.9%	2.3110	1.8673	19.76%	34.21%	6.17%	0.00%	0.00%
Morgan Township	39.4	32.3	-18.0%	915,783	614,948	-32.9%	2.3257	1.9052	19.61%	34.01%	6.17%	0.00%	0.00%
Taylor Township	40.0	34.6	-13.7%	1,020,253	695,488	-31.8%	2.5491	2.0128	21.40%	35.28%	6.17%	0.00%	0.00%
Washington Township	127.9	107.8	-15.7%	3,086,479	2,127,177	-31.1%	2.4127	1.9725	18.92%	33.29%	6.17%	0.00%	0.00%
Spencer Town	100.3	92.6	-7.7%	2,958,295	2,412,823	-18.4%	2.9500	2.6059	18.16%	36.24%	6.17%	0.00%	0.00%
Wayne Township	37.0	32.0	-13.5%	860,438	603,188	-29.9%	2.3238	1.8837	19.78%	34.40%	6.17%	0.00%	0.00%
Gosport Town	17.2	16.2	-5.8%	454,055	361,119	-20.5%	2.6345	2.2235	19.69%	37.49%	6.17%	0.00%	0.00%
County Totals/Averages	738.8	639.0	-13.5%	18,283,123	13,050,265	-28.6%	2.4746	2.0419	19.52%	34.30%	6.17%	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.

Owen 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	
Owen County	2,675,816	3,974	0	0	405	4,379
Clay Township	35,619	0	0	0	0	0
Franklin Township	22,825	0	0	0	0	0
Harrison Township	9,991	0	0	0	0	0
Jackson Township	15,940	0	0	0	0	0
Jefferson Township	19,785	0	0	0	0	0
Jennings Township	13,420	0	0	0	0	0
Lafayette Township	10,402	0	0	0	4	4
Marion Township	16,038	0	0	0	0	0
Montgomery Township	10,898	0	0	0	0	0
Morgan Township	22,415	0	0	0	0	0
Taylor Township	13,901	0	0	0	25	25
Washington Township	20,850	99	0	0	2	101
Wayne Township	20,512	0	0	0	1	1
Gosport Civil Town	57,251	0	0	0	11	11
Spencer Civil Town	819,900	7,061	0	0	23	7,084
Spencer-Owen Community School Corporation	6,845,855	12,091	0	0	437	12,529
Cloverdale Community School Corporation	1,431,271	0	0	0	878	878
Spencer-Owen County Public Library	629,164	934	0	0	95	1,030
Clay-Owen-Vigo Solid Waste Management District	0	0	0	0	0	0
Poland Fire Territory (Jackson Township)	53,104	0	0	0	0	0
Total - All Taxing Units	12,744,957	24,160	0	0	1,881	26,041

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.

Numbers may not total due to rounding.