

2012 Owen County Property Tax Report with Comparison to 2011



Legislative Services Agency

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This report describes property tax changes in Owen County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Owen County the average tax bill for all taxpayers increased slightly, by 0.1%. This small tax bill rise was the result of a small 0.8% increase in the total levy of all local government units. Certified net assessed value rose 7.2%, mainly due to agricultural and business assessment increases. Homestead assessments fell, which may have been a legacy of the recession. Lower tax rates caused tax cap credits as a percentage of levies to fall by 1.4%.

| | Average Change in Tax Bill, All Property | Total Levy, All Units | Certified Net Assessed Value | Tax Cap Credits % of Levy |
|--------|--|-----------------------|------------------------------|---------------------------|
| 2012 | 0.1% | \$13,584,691 | \$666,038,500 | 1.5% |
| Change | | 0.8% | 7.2% | -1.4% |
| 2011 | 3.5% | \$13,470,713 | \$621,097,658 | 2.9% |

Homestead Property Taxes

Homestead property taxes decreased 8.0% on average in Owen County in 2012. Tax rates fell in all Owen County tax districts, and the county average tax rate decreased 6.0%. Homestead assessments also decreased. The rate and assessment decline explain the drop in homestead tax bills. The percentage of homesteads at their tax caps decreased from 4.7% in 2011 to 2.3% in 2012. Owen County does not have local property tax credits.

Net Tax Bill Changes - All Property Types

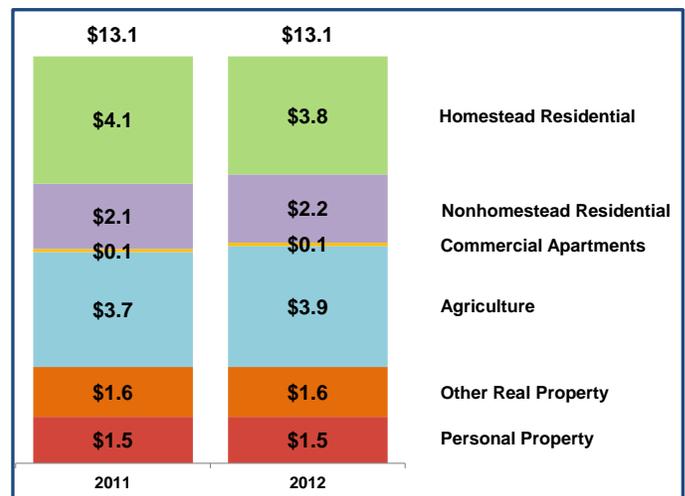
The largest shares of Owen County's 2012 net property taxes were paid by owners of agricultural property and by homeowners. Net tax bills for all taxpayers rose slightly by 0.1% in Owen County in 2012. Net taxes were higher on agricultural property, commercial apartments, business real property (other real), and nonhomestead residential property (mostly small rentals and second homes). Taxes were lower on homesteads and personal property (mostly business equipment).

Comparable Homestead Property Tax Changes in Owen County

| | 2011 to 2012 | |
|------------------------------------|----------------------|------------------|
| | Number of Homesteads | % Share of Total |
| Summary Change in Tax Bill | | |
| Higher Tax Bill | 1,002 | 16.5% |
| No Change | 173 | 2.9% |
| Lower Tax Bill | 4,892 | 80.6% |
| Average Change in Tax Bill | -8.0% | |
| Detailed Change in Tax Bill | | |
| 20% or More | 402 | 6.6% |
| 10% to 19% | 205 | 3.4% |
| 1% to 9% | 395 | 6.5% |
| 0% | 173 | 2.9% |
| -1% to -9% | 2,542 | 41.9% |
| -10% to -19% | 1,497 | 24.7% |
| -20% or More | 853 | 14.1% |
| Total | 6,067 | 100.0% |

Note: Percentages may not total due to rounding.

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



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all Owen County tax districts. The average tax rate fell by 6.0%, because a small levy increase was offset by a larger increase in net assessed value.

Levies in Owen County increased slightly by 0.8%. The largest levy increase was in the Spencer-Owen Community School Corporation, primarily due to increases in the debt service and transportation funds. The Cloverdale Community School Corporation had a large decrease in its bus replacement fund; the town of Spencer had a decrease in its special fire protection territory general fund; and the county unit decreased its general fund.

Owen County's total net assessed value increased 5.4% in 2012. Agricultural net assessments rose 14.3%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Business property assessments also rose substantially, and other residential assessments increased by a smaller amount. Homestead assessments fell, which may be a lingering effect of the Great Recession.

| Property Type | Gross AV 2011 | Gross AV 2012 | Gross AV Change | Net AV 2011 | Net AV 2012 | Net AV Change |
|------------------------|------------------------|------------------------|-----------------|----------------------|----------------------|---------------|
| Homesteads | \$579,282,875 | \$570,097,406 | -1.6% | \$206,836,354 | \$204,239,719 | -1.3% |
| Other Residential | 109,341,399 | 110,349,900 | 0.9% | 108,306,655 | 109,473,658 | 1.1% |
| Ag Business/Land | 178,302,301 | 205,017,959 | 15.0% | 177,819,461 | 203,188,335 | 14.3% |
| Business Real/Personal | 159,925,225 | 168,942,125 | 5.6% | 128,554,235 | 138,090,494 | 7.4% |
| Total | \$1,026,851,800 | \$1,054,407,390 | 2.7% | \$621,516,705 | \$654,992,206 | 5.4% |

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

Tax Cap (Circuit Breaker) 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.

Total tax cap credits in Owen County were \$198,878, or 1.5% of the levy. This was much less than the state average percentage of the levy of 9.2% and less than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits. Owen County's tax rates were lower than the state average, but near the state median. Its tax cap credits as a percent of the levy are lower than its tax rates would indicate because only two of its districts have rates above \$2 per \$100 assessed value.

More than three-quarters of Owen County's total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the towns of Gosport and Spencer, where district tax rates were above \$2 per \$100 assessed value. The largest dollar losses were in the Spencer-Owen School Corporation.

Tax Cap Credits by Category

Tax cap credits decreased in Owen County in 2012 by \$188,616, or 48.7%. The percentage of the levy lost to credits fell by 1.4%. There were no major changes in state policy to affect tax cap credits in 2012. Owen County credits decreased mainly because of the large drop in tax rates.

| Tax Cap Category | 2011 | 2012 | Difference | % Change |
|------------------|------------------|------------------|-------------------|---------------|
| 1% | \$93,370 | \$37,331 | -\$56,039 | -60.0% |
| 2% | 294,124 | 157,177 | -136,948 | -46.6% |
| 3% | 0 | 0 | 0 | 0.0% |
| Elderly | 0 | 4,371 | 4,371 | -- |
| Total | \$387,494 | \$198,878 | -\$188,616 | -48.7% |
| % of Levy | 2.9% | 1.5% | | -1.4% |

Owen County Levy Comparison by Taxing Unit

| Taxing Unit | 2008 | 2009 | 2010 | 2011 | 2012 | % Change | | | |
|--|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| | | | | | | 2008 - 2009 | 2009 - 2010 | 2010 - 2011 | 2011 - 2012 |
| <i>County Total</i> | 18,304,056 | 12,744,957 | 13,125,291 | 13,470,713 | 13,584,691 | -30.4% | 3.0% | 2.6% | 0.8% |
| State Unit | 17,752 | 0 | 0 | 0 | 0 | -100.0% | | | |
| Owen County | 3,264,232 | 2,675,816 | 2,782,391 | 2,856,429 | 2,682,803 | -18.0% | 4.0% | 2.7% | -6.1% |
| Clay Township | 35,647 | 35,619 | 36,350 | 34,747 | 32,689 | -0.1% | 2.1% | -4.4% | -5.9% |
| Franklin Township | 21,944 | 22,825 | 23,420 | 22,784 | 22,703 | 4.0% | 2.6% | -2.7% | -0.4% |
| Harrison Township | 9,582 | 9,991 | 10,355 | 9,506 | 10,971 | 4.3% | 3.6% | -8.2% | 15.4% |
| Jackson Township | 14,743 | 15,940 | 15,479 | 14,757 | 16,937 | 8.1% | -2.9% | -4.7% | 14.8% |
| Jefferson Township | 18,715 | 19,785 | 20,344 | 19,630 | 21,462 | 5.7% | 2.8% | -3.5% | 9.3% |
| Jennings Township | 12,696 | 13,420 | 13,786 | 13,351 | 14,434 | 5.7% | 2.7% | -3.2% | 8.1% |
| Lafayette Township | 10,022 | 10,402 | 10,753 | 10,470 | 11,350 | 3.8% | 3.4% | -2.6% | 8.4% |
| Marion Township | 15,161 | 16,038 | 16,549 | 16,561 | 16,682 | 5.8% | 3.2% | 0.1% | 0.7% |
| Montgomery Township | 10,998 | 10,898 | 10,842 | 11,127 | 11,554 | -0.9% | -0.5% | 2.6% | 3.8% |
| Morgan Township | 16,906 | 22,415 | 22,188 | 21,065 | 22,059 | 32.6% | -1.0% | -5.1% | 4.7% |
| Taylor Township | 13,352 | 13,901 | 14,330 | 14,109 | 0 | 4.1% | 3.1% | -1.5% | -100.0% |
| Washington Township | 38,725 | 20,850 | 20,115 | 18,938 | 20,456 | -46.2% | -3.5% | -5.9% | 8.0% |
| Wayne Township | 19,703 | 20,512 | 21,341 | 20,851 | 22,576 | 4.1% | 4.0% | -2.3% | 8.3% |
| Gosport Civil Town | 56,172 | 57,251 | 59,920 | 61,073 | 63,301 | 1.9% | 4.7% | 1.9% | 3.6% |
| Spencer Civil Town | 797,347 | 819,900 | 852,543 | 839,989 | 675,374 | 2.8% | 4.0% | -1.5% | -19.6% |
| Spencer-Owen Community School Corp | 10,931,727 | 6,845,855 | 7,179,624 | 7,430,605 | 8,064,975 | -37.4% | 4.9% | 3.5% | 8.5% |
| Cloverdale Community School Corp | 2,333,511 | 1,431,271 | 1,312,852 | 1,373,372 | 1,193,860 | -38.7% | -8.3% | 4.6% | -13.1% |
| Spencer-Owen County Public Library | 610,980 | 629,164 | 649,372 | 631,656 | 668,036 | 3.0% | 3.2% | -2.7% | 5.8% |
| Clay-Owen-Vigo Solid Waste Mgmt Dist | 0 | 0 | 0 | 0 | 0 | | | | |
| Poland Fire Territory (Jackson Township) | 54,141 | 53,104 | 52,737 | 49,693 | 12,469 | -1.9% | -0.7% | -5.8% | -74.9% |

Owen County 2012 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 | |
| 60016 | Clay Township | 1.9732 | -- | -- | -- | -- | -- | 1.9732 |
| 60017 | Franklin Township | 1.9679 | -- | -- | -- | -- | -- | 1.9679 |
| 60018 | Harrison Township | 1.9738 | -- | -- | -- | -- | -- | 1.9738 |
| 60019 | Jackson Township | 1.7927 | -- | -- | -- | -- | -- | 1.7927 |
| 60020 | Jefferson Township | 1.9724 | -- | -- | -- | -- | -- | 1.9724 |
| 60021 | Jennings Township | 1.7829 | -- | -- | -- | -- | -- | 1.7829 |
| 60022 | Lafayette Township | 1.9577 | -- | -- | -- | -- | -- | 1.9577 |
| 60023 | Marion Township | 1.9721 | -- | -- | -- | -- | -- | 1.9721 |
| 60024 | Montgomery Township | 1.9564 | -- | -- | -- | -- | -- | 1.9564 |
| 60025 | Morgan Township | 1.9885 | -- | -- | -- | -- | -- | 1.9885 |
| 60026 | Taylor Township | 1.7203 | -- | -- | -- | -- | -- | 1.7203 |
| 60027 | Washington Township | 1.9442 | -- | -- | -- | -- | -- | 1.9442 |
| 60028 | Spencer Town | 2.5987 | -- | -- | -- | -- | -- | 2.5987 |
| 60029 | Wayne Township | 1.9777 | -- | -- | -- | -- | -- | 1.9777 |
| 60030 | Gosport Town | 2.3755 | -- | -- | -- | -- | -- | 2.3755 |

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.

Owen County 2012 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> | 37,331 | 157,177 | 0 | 4,371 | 198,878 | 13,584,691 | 1.5% | |
| <i>TIF Total</i> | 0 | 0 | 0 | 0 | 0 | 0 | | |
| <i>County Total</i> | 37,331 | 157,177 | 0 | 4,371 | 198,878 | 13,584,691 | 1.5% | |
| Owen County | 6,726 | 24,751 | 0 | 857 | 32,334 | 2,682,803 | 1.2% | |
| Clay Township | 86 | 0 | 0 | 11 | 97 | 32,689 | 0.3% | |
| Franklin Township | 66 | 0 | 0 | 16 | 82 | 22,703 | 0.4% | |
| Harrison Township | 2 | 0 | 0 | 0 | 2 | 10,971 | 0.0% | |
| Jackson Township | 11 | 0 | 0 | 6 | 17 | 16,937 | 0.1% | |
| Jefferson Township | 30 | 0 | 0 | 6 | 35 | 21,462 | 0.2% | |
| Jennings Township | 0 | 0 | 0 | 15 | 15 | 14,434 | 0.1% | |
| Lafayette Township | 12 | 0 | 0 | 3 | 15 | 11,350 | 0.1% | |
| Marion Township | 49 | 0 | 0 | 13 | 62 | 16,682 | 0.4% | |
| Montgomery Township | 0 | 0 | 0 | 2 | 2 | 11,554 | 0.0% | |
| Morgan Township | 49 | 0 | 0 | 0 | 49 | 22,059 | 0.2% | |
| Taylor Township | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Washington Township | 96 | 502 | 0 | 5 | 604 | 20,456 | 3.0% | |
| Wayne Township | 17 | 383 | 0 | 3 | 403 | 22,576 | 1.8% | |
| Gosport Civil Town | 155 | 4,693 | 0 | 36 | 4,884 | 63,301 | 7.7% | |
| Spencer Civil Town | 4,773 | 33,432 | 0 | 241 | 38,445 | 675,374 | 5.7% | |
| Spencer-Owen Community School Corp | 22,759 | 87,254 | 0 | 2,439 | 112,452 | 8,064,975 | 1.4% | |
| Cloverdale Community School Corp | 816 | 0 | 0 | 499 | 1,316 | 1,193,860 | 0.1% | |
| Spencer-Owen County Public Library | 1,675 | 6,163 | 0 | 213 | 8,051 | 668,036 | 1.2% | |
| Clay-Owen-Vigo Solid Waste Mgmt Dist | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Poland Fire Territory (Jackson Township) | 8 | 0 | 0 | 5 | 13 | 12,469 | 0.1% | |

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.