

2009 PARKE COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

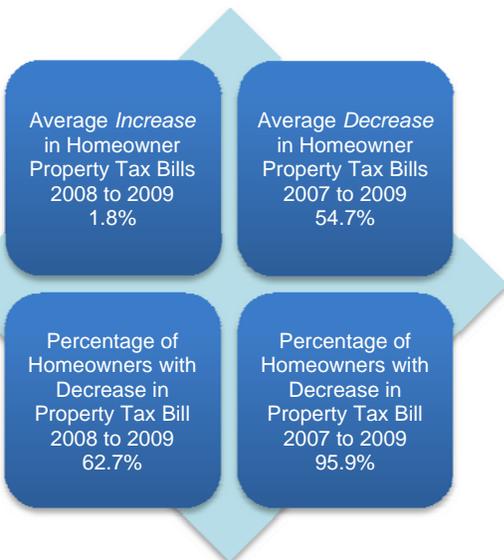


Legislative Services Agency

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 Parke 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	533	14.3%	72	1.9%
10% to 19%	255	6.8%	7	0.2%
1% to 9%	504	13.5%	13	0.3%
0%	99	2.7%	60	1.6%
-1% to -9%	680	18.2%	18	0.5%
-10% to -19%	533	14.3%	46	1.2%
-20% to -29%	412	11.0%	96	2.6%
-30% to -39%	216	5.8%	157	4.2%
-40% to -49%	95	2.5%	456	12.2%
-50% to -59%	63	1.7%	942	25.3%
-60% to -69%	50	1.3%	838	22.5%
-70% to -79%	60	1.6%	461	12.4%
-80% to -89%	43	1.2%	233	6.3%
-90% to -99%	30	0.8%	142	3.8%
-100%	158	4.2%	186	5.0%
Total	3,731	100.0%	3,727	100.0%
Higher Tax Bill	1,292	34.6%	92	2.5%
No Change	99	2.7%	60	1.6%
Lower Tax Bill	2,340	62.7%	3,575	95.9%
Average Change in Tax Bill	1.8%		-54.7%	

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	Parke County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-10.4%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-33.2%	-30.6%
State PTRC Percentage, 2008	23.3%	20.1%
Total State Homestead Credit, 2008	47.7%	39.5%
Total State Homestead Credit, 2009	8.2%	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. Homeowner tax bills in Parke County increased by 1.8%. Parke County taxpayers saw larger-than-average homestead credits in 2008. The loss of this tax relief would have increased homeowner tax bills. This was prevented by an increase in local homestead tax credits provided by the county economic development income tax. Few Parke County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Parke County, as they were in almost all Indiana counties.

2009 Property Tax Changes:

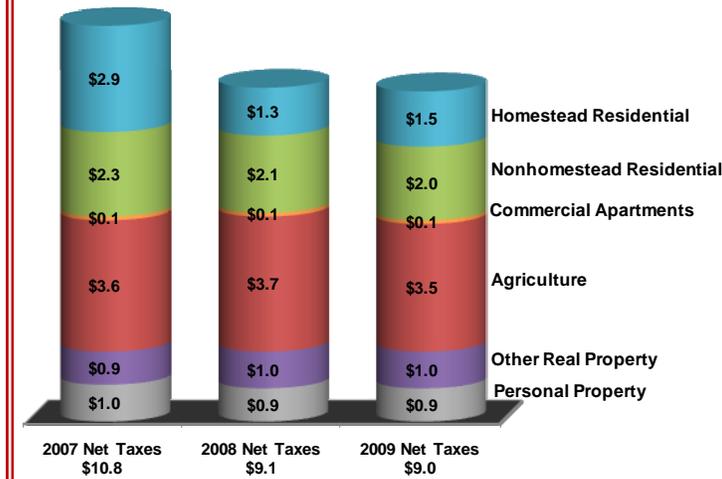
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

Comparison of Net Property Tax Bills by Property Type
Parke County
(In Millions)



In Parke County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 4.8% decline in average property tax bills. Average tax bills on commercial apartments saw not real change. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 5.4% average tax decrease. Other commercial, industrial, and utility real property along with personal property (which is largely business equipment) also saw no real change 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 Parke County \$4,598

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

1.5 %
Homestead
qualifying property
\$921 20.0%

2.5 %
Other qualified
residential property
\$0 0.0%

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

Elderly
\$3,677 80.0%

Parke 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	\$15,116,036	\$15,106,171	\$10,155,226	-0.1%	-32.8%	-0.9%
State Unit	16,590	17,867	0	7.7%	-100.0%	
Parke County	3,343,634	3,297,229	2,955,925	-1.4%	-10.4%	1.5%
Adams Township	108,951	113,277	110,857	4.0%	-2.1%	-2.1%
Florida Township	76,991	130,036	98,952	68.9%	-23.9%	-23.9%
Greene Township	9,977	10,008	10,055	0.3%	0.5%	0.5%
Howard Township	5,366	5,356	5,375	-0.2%	0.4%	0.4%
Jackson Township	17,461	18,159	18,230	4.0%	0.4%	0.4%
Liberty Township	9,452	13,754	13,614	45.5%	-1.0%	-1.0%
Penn Township	16,185	15,958	16,018	-1.4%	0.4%	0.4%
Raccoon Township	28,646	32,113	32,454	12.1%	1.1%	1.1%
Reserve Township	23,132	22,527	23,296	-2.6%	3.4%	3.4%
Sugar Creek Township	0	15,033	11,825		-21.3%	-21.3%
Union Township	110,341	110,843	80,765	0.5%	-27.1%	-27.1%
Wabash Township	24,168	19,958	19,225	-17.4%	-3.7%	-3.7%
Washington Township	12,560	12,822	20,098	2.1%	56.7%	56.7%
Bloomingtondale Civil Town	21,831	21,399	22,066	-2.0%	3.1%	3.1%
Marshall Civil Town	21,338	20,835	21,335	-2.4%	2.4%	2.4%
Montezuma Civil Town	98,992	91,203	99,517	-7.9%	9.1%	9.1%
Rockville Civil Town	431,358	424,901	428,024	-1.5%	0.7%	0.7%
Rosedale Civil Town	57,898	57,528	60,894	-0.6%	5.9%	5.9%
Mecca Civil Town	7,171	6,779	4,934	-5.5%	-27.2%	-27.2%
Clay Community School Corporation	787,517	808,521	523,002	2.7%	-35.3%	-0.2%
Southwest Parke Community School Corp.	3,678,477	3,260,789	2,009,756	-11.4%	-38.4%	-0.1%
Rockville Community School Corporation	3,468,345	3,646,047	1,958,692	5.1%	-46.3%	-1.3%
Turkey Run Community School Corporation	2,523,348	2,719,093	1,393,470	7.8%	-48.8%	-4.7%
Montezuma Public Library	32,919	31,624	33,325	-3.9%	5.4%	5.4%
Rockville Public Library	183,388	182,512	183,522	-0.5%	0.6%	0.6%
West Central Indiana Solid Waste Mgt. District	0	0	0	0.0%	0.0%	0.0%
Raccoon Creek Fire Protection District	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.

Parke 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 Rate-Real	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
	Adams Township	86.5	73.5	-15.0%	1,615,343	1,073,770	-33.5%	1.8681	1.4601	22.86%	47.20%	8.16%	10.48%
Rockville Town	81.5	66.4	-18.5%	1,866,164	1,320,027	-29.3%	2.2902	1.9870	22.81%	53.25%	8.16%	33.46%	59.10%
Florida Township	68.6	60.5	-11.8%	1,615,084	1,080,109	-33.1%	2.3547	1.7848	19.92%	42.95%	8.16%	5.15%	7.97%
Rosedale Town	9.4	7.4	-21.9%	265,530	184,045	-30.7%	2.8123	2.4964	20.42%	48.98%	8.16%	6.97%	11.79%
Greene Township	36.3	35.9	-1.0%	655,768	424,422	-35.3%	1.8085	1.1819	26.97%	49.81%	8.16%	46.32%	82.26%
Howard Township	21.9	23.1	5.1%	396,253	271,519	-31.5%	1.8053	1.1772	26.99%	49.79%	8.16%	24.58%	49.89%
Jackson Township	51.5	46.8	-9.1%	1,125,301	747,342	-33.6%	2.1843	1.5953	24.97%	52.12%	8.16%	5.06%	7.46%
Liberty Township	34.8	33.3	-4.4%	633,852	397,780	-37.2%	1.8204	1.1948	26.80%	49.61%	8.16%	17.33%	32.86%
Penn Township	26.6	24.6	-7.6%	488,108	298,099	-38.9%	1.8343	1.2120	26.72%	49.72%	8.16%	7.75%	13.02%
Bloomingtondale Town	8.8	7.8	-12.2%	180,301	113,227	-37.2%	2.0432	1.4609	26.11%	52.42%	8.16%	47.94%	97.34%
Raccoon Township	36.5	35.0	-4.2%	823,866	601,108	-27.0%	2.2577	1.7190	20.69%	43.67%	8.16%	7.80%	11.47%
Reserve Township	28.9	27.3	-5.8%	667,806	486,420	-27.2%	2.3082	1.7846	20.91%	44.89%	8.16%	41.45%	71.91%
Montezuma Town-Reserve Twp	13.9	11.2	-19.6%	403,582	289,850	-28.2%	2.8992	2.5903	20.53%	49.99%	8.16%	7.61%	13.29%
Sugar Creek Township	18.0	17.1	-5.3%	336,424	209,003	-37.9%	1.8642	1.2231	25.14%	46.03%	8.16%	11.39%	21.65%
Union Township	136.4	119.4	-12.5%	2,352,619	1,507,273	-35.9%	1.7250	1.2629	23.28%	45.52%	8.16%	26.87%	48.33%
Wabash Township	27.9	25.4	-9.1%	625,710	431,526	-31.0%	2.2390	1.6996	20.51%	42.94%	8.16%	15.95%	25.40%
Montezuma Town-Wabash Twp	0.5	0.5	-6.4%	15,343	12,804	-16.5%	2.8894	2.5755	20.44%	49.66%	8.16%	54.12%	97.34%
Mecca Town	3.2	2.4	-27.2%	77,803	43,746	-43.8%	2.3940	1.8495	20.86%	45.83%	8.16%	3.80%	5.54%
Washington Township	50.2	48.1	-4.0%	905,367	574,848	-36.5%	1.8046	1.1940	26.97%	49.72%	8.16%	54.06%	97.34%
Marshall Town	6.9	5.4	-21.1%	144,751	84,899	-41.3%	2.0961	1.5590	25.90%	52.80%	8.16%	33.11%	63.67%
County Totals/Averages	748.5	671.0	-10.4%	15,194,973	10,151,815	-33.2%	2.0291	1.5130	23.28%	47.75%	8.16%	20.17%	35.38%

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.

Parke 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	
Parke County	2,955,925	160	0	0	847	1,007
Adams Township	110,857	0	0	0	20	20
Florida Township	98,952	6	0	0	3	9
Greene Township	10,055	0	0	0	0	0
Howard Township	5,375	0	0	0	0	0
Jackson Township	18,230	0	0	0	3	3
Liberty Township	13,614	0	0	0	0	0
Penn Township	16,018	0	0	0	2	2
Raccoon Township	32,454	0	0	0	58	58
Reserve Township	23,296	7	0	0	6	14
Sugar Creek Township	11,825	0	0	0	0	0
Union Township	80,765	0	0	0	3	3
Wabash Township	19,225	0	0	0	0	0
Washington Township	20,098	0	0	0	0	0
Bloomington Civil Town	22,066	0	0	0	0	0
Judson Civil Town	0	0	0	0	0	0
Marshall Civil Town	21,335	0	0	0	4	4
Montezuma Civil Town	99,517	207	0	0	179	386
Rockville Civil Town	428,024	0	0	0	569	569
Rosedale Civil Town	60,894	88	0	0	3	91
Mecca Civil Town	4,934	0	0	0	0	0
Clay Community School Corporation	523,002	0	0	0	72	72
Southwest Parke Community School Corporation	2,009,756	431	0	0	1,020	1,451
Rockville Community School Corporation	1,958,692	0	0	0	721	721
Turkey Run Community School Corporation	1,393,470	0	0	0	30	30
Montezuma Public Library	33,325	21	0	0	18	39
Rockville Public Library	183,522	0	0	0	119	119
West Central Indiana Solid Waste Management	0	0	0	0	0	0
Raccoon Creek Fire Protection District	0	0	0	0	0	0
Total - All Taxing Units	10,155,226	921	0	0	3,677	4,598

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.