

2010 Property Tax Report

Parke County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Parke 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 Parke 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 Parke County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	2,713	72.2%	295	7.8%
No Change	347	9.2%	56	1.5%
Lower Tax Bill	698	18.6%	3,407	90.7%
Average Change in Tax Bill	17.6%		-46.5%	
Detailed Change in Tax Bill				
20% or More	1,914	50.9%	151	4.0%
10% to 19%	393	10.5%	62	1.6%
1% to 9%	406	10.8%	82	2.2%
0%	347	9.2%	56	1.5%
-1% to -9%	273	7.3%	101	2.7%
-10% to -19%	130	3.5%	163	4.3%
-20% to -29%	80	2.1%	278	7.4%
-30% to -39%	44	1.2%	463	12.3%
-40% to -49%	37	1.0%	607	16.2%
-50% to -59%	34	0.9%	627	16.7%
-60% to -69%	21	0.6%	430	11.4%
-70% to -79%	20	0.5%	220	5.9%
-80% to -89%	12	0.3%	166	4.4%
-90% to -99%	8	0.2%	119	3.2%
-100%	39	1.0%	233	6.2%
Total	3,758	100.0%	3,758	100.0%

The average homeowner saw a 17.6% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 46.5% lower than they were in 2007, before the property tax reforms.

90.7% of homeowners saw lower tax bills in 2010 than in 2007.

50.9% of homeowners saw tax increases of 20% or more from 2009 to 2010.

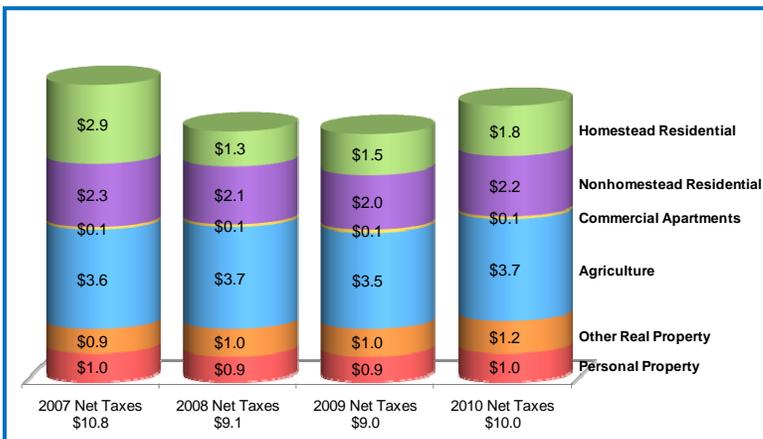
The largest percentage of homeowners have seen between a 40% and 59% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Parke County Overview

The much larger-than-average increase in homeowner tax bills had several causes. Property tax levies increased 5.4% in Parke County in 2010, more than the state average increase of 2.4%. The largest levy increases were for the Southwest Parke School Corporation debt service fund, the Rockville School Corporation debt service fund, and the Turkey Run School Corporation bus replacement fund. Parke County homeowners did not benefit from the one percent property tax cap because Parke County provides substantial local property tax credits for homeowners, which holds tax bills below the tax cap threshold. The county saw a small decrease in the local property tax credit rates 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 10.4% in Parke County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw an 8.2% increase in tax bills. This increase was due mainly to the increase in Parke County property tax levies, as was the 9.9% increase in tax bills for nonhomestead residential property (mostly small rental residences). Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 13.5% and 9.8% increase, respectively, in tax bills in 2010. This was also mainly because of the increase in Parke County property tax levies.

Agricultural business property saw a 5.6% increase in tax payments in 2010 because of the Parke County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

2010 Property Tax Policy Changes

Property Tax Caps. Property tax caps tightened to their permanent levels. The tighter caps meant more taxpayers were eligible for tax cap credits. This resulted in greater reductions in property tax revenue for local governments.

State Homestead Credits. State homestead credits were reduced by 43% between 2009 and 2010 as part of a scheduled phaseout. The average statewide credit rate fell from 8% to 5% as a result. The credit will be eliminated in 2011.



Tax Cap Credits

Tax cap credits in Parke County in 2010 amounted to 0.6% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to much lower-than-average tax rates in Parke County. No commercial or industrial properties in the 3% tax cap category qualified for credits because all Parke County tax rates were under \$3. Neither Parke County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category. A large portion of circuit breaker credits were allocated to low-income, elderly homeowners under the 2% annual growth limit for their net taxes.

2010 Circuit Breaker Credits by Cap Category
Parke County Total \$66,061

Category	1%	2%	3%	Elderly
Amount	\$751	\$52,785	\$0	\$12,524
Percentage	1.1%	79.9%	0.0%	19.0%

Parke County, the town of Montezuma, and the Southwest Parke Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Montezuma lost the most, at 10.2%. Losses were greatest for units that overlapped the town of Montezuma because its tax districts had the highest tax rates.

The Effects of Recession

In Parke County the recession has affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.8% in December 2007 to 9.5% in July 2009. Job losses and income declines contributed to a 1.9% drop in local income tax revenue, after adjusting for rate changes. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Parke County in 2010.

Parke County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	437,786,400	448,805,500	2.5%
Other Residential	124,950,530	132,887,300	6.4%
Ag Business/Land	252,923,000	259,846,200	2.7%
Business Real/Personal	155,530,264	159,552,960	2.6%
Total	\$971,190,194	\$1,001,091,960	3.1%

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 Parke County, the gross assessed value of business real and personal property increased 2.6% in 2010. Other assessment categories increased, and total gross assessed value in Parke County rose 3.1%. This was higher 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.

Parke County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	15,116,036	15,106,171	10,155,226	10,704,050	-0.1%	-32.8%	5.4%
State Unit	16,590	17,867	0	0	7.7%	-100.0%	
Parke County	3,343,634	3,297,229	2,955,925	2,924,104	-1.4%	-10.4%	-1.1%
Adams Township	108,951	113,277	110,857	103,910	4.0%	-2.1%	-6.3%
Florida Township	76,991	130,036	98,952	107,647	68.9%	-23.9%	8.8%
Greene Township	9,977	10,008	10,055	9,890	0.3%	0.5%	-1.6%
Howard Township	5,366	5,356	5,375	5,352	-0.2%	0.4%	-0.4%
Jackson Township	17,461	18,159	18,230	36,965	4.0%	0.4%	102.8%
Liberty Township	9,452	13,754	13,614	13,480	45.5%	-1.0%	-1.0%
Penn Township	16,185	15,958	16,018	15,940	-1.4%	0.4%	-0.5%
Raccoon Township	28,646	32,113	32,454	32,093	12.1%	1.1%	-1.1%
Reserve Township	23,132	22,527	23,296	23,144	-2.6%	3.4%	-0.7%
Sugar Creek Township	0	15,033	11,825	11,081		-21.3%	-6.3%
Union Township	110,341	110,843	80,765	110,657	0.5%	-27.1%	37.0%
Wabash Township	24,168	19,958	19,225	19,012	-17.4%	-3.7%	-1.1%
Washington Township	12,560	12,822	20,098	20,416	2.1%	56.7%	1.6%
Bloomingtondale Civil Town	21,831	21,399	22,066	21,928	-2.0%	3.1%	-0.6%
Marshall Civil Town	21,338	20,835	21,335	21,291	-2.4%	2.4%	-0.2%
Montezuma Civil Town	98,992	91,203	99,517	97,151	-7.9%	9.1%	-2.4%
Rockville Civil Town	431,358	424,901	428,024	425,997	-1.5%	0.7%	-0.5%
Rosedale Civil Town	57,898	57,528	60,894	58,901	-0.6%	5.9%	-3.3%
Mecca Civil Town	7,171	6,779	4,934	4,934	-5.5%	-27.2%	0.0%
Clay Community School Corp	787,517	808,521	523,002	515,139	2.7%	-35.3%	-1.5%
Southwest Parke Community School Corp	3,678,477	3,260,789	2,009,756	2,246,808	-11.4%	-38.4%	11.8%
Rockville Community School Corp	3,468,345	3,646,047	1,958,692	2,127,729	5.1%	-46.3%	8.6%
Turkey Run Community School Corp	2,523,348	2,719,093	1,393,470	1,533,804	7.8%	-48.8%	10.1%
Montezuma Public Library	32,919	31,624	33,325	32,851	-3.9%	5.4%	-1.4%
Rockville Public Library	183,388	182,512	183,522	183,826	-0.5%	0.6%	0.2%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0			
Raccoon Creek Fire Protection Dist	0	0	0	0			

Parke County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Taxing District	Tax Rate	Credit Rates							Net Tax Rate, Homesteads
		LOIT PTRC	State	COIT	CEDIT		LOIT	LOIT	
			Homestead	Homestead	Homestead	Residential	Homestead	Residential	
Adams Township	1.5401	5.3349%	4.5014%	--	10.4329%	--	--	--	1.2279
Rockville Town	2.1704	5.3349%	4.5014%	--	51.0292%	--	--	--	0.8494
Florida Township	1.9225	5.3349%	4.5014%	--	2.5306%	--	--	--	1.6847
Rosedale Town	2.5783	5.3349%	4.5014%	--	6.0247%	--	--	--	2.1694
Greene Township	1.2328	5.3349%	4.5014%	--	76.9548%	--	--	--	0.1628
Howard Township	1.2293	5.3349%	4.5014%	--	39.0220%	--	--	--	0.6287
Jackson Township	1.6037	5.3349%	4.5014%	--	1.9820%	--	--	--	1.4142
Liberty Township	1.2456	5.3349%	4.5014%	--	24.9669%	--	--	--	0.8121
Penn Township	1.2643	5.3349%	4.5014%	--	7.0071%	--	--	--	1.0513
Bloomingtondale Town	1.5644	5.3349%	4.5014%	--	91.9383%	--	--	--	0.0000
Raccoon Township	1.8433	5.3349%	4.5014%	--	7.1050%	--	--	--	1.5310
Reserve Township	1.8989	5.3349%	4.5014%	--	65.2604%	--	--	--	0.4729
Montezuma Town-Reserve Township	2.6683	5.3349%	4.5014%	--	7.8068%	--	--	--	2.1975
Sugar Creek Township	1.2699	5.3349%	4.5014%	--	13.0236%	--	--	--	0.9796
Union Township	1.3649	5.3349%	4.5014%	--	35.5868%	--	--	--	0.7449
Wabash Township	1.8210	5.3349%	4.5014%	--	20.8126%	--	--	--	1.2629
Montezuma Town-Wabash Township	2.6542	5.3349%	4.5014%	--	95.4986%	--	--	--	0.0000
Mecca Town	1.9434	5.3349%	4.5014%	--	0.0424%	--	--	--	1.7514
Washington Township	1.2458	5.3349%	4.5014%	--	95.4986%	--	--	--	0.0000
Marshall Town	1.6032	5.3349%	4.5014%	--	54.4307%	--	--	--	0.5729

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.

Parke 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>	751	52,765	0	12,524		66,040	10,704,050	0.6%
<i>TIF Total</i>	0	20	0	0		20	106,514	0.0%
<i>County Total</i>	751	52,785	0	12,524		66,060	10,810,564	0.6%
Parke County	204	9,034	0	3,070		12,308	2,924,104	0.4%
Adams Township	0	80	0	205		285	103,910	0.3%
Florida Township	0	170	0	112		282	107,647	0.3%
Greene Township	0	0	0	0		0	9,890	0.0%
Howard Township	0	0	0	4		4	5,352	0.1%
Jackson Township	37	0	0	14		50	36,965	0.1%
Liberty Township	0	0	0	8		8	13,480	0.1%
Penn Township	0	0	0	3		3	15,940	0.0%
Raccoon Township	0	0	0	70		70	32,093	0.2%
Reserve Township	0	317	0	19		336	23,144	1.5%
Sugar Creek Township	0	0	0	20		20	11,081	0.2%
Union Township	0	0	0	105		105	110,657	0.1%
Wabash Township	0	6	0	7		13	19,012	0.1%
Washington Township	0	0	0	1		1	20,416	0.0%
Bloomingtondale Civil Town	0	0	0	0		0	21,928	0.0%
Marshall Civil Town	0	0	0	28		28	21,291	0.1%
Montezuma Civil Town	0	9,482	0	460		9,942	97,151	10.2%
Rockville Civil Town	0	3,146	0	917		4,063	425,997	1.0%
Rosedale Civil Town	0	3,787	0	111		3,898	58,901	6.6%
Mecca Civil Town	0	0	0	1		1	4,934	0.0%
Clay Community School Corp	511	0	0	189		700	515,139	0.1%
Southwest Parke Community School Corp	0	21,627	0	2,899		24,525	2,246,808	1.1%
Rockville Community School Corp	0	3,576	0	3,227		6,803	2,127,729	0.3%
Turkey Run Community School Corp	0	0	0	630		630	1,533,804	0.0%
Montezuma Public Library	0	944	0	49		993	32,851	3.0%
Rockville Public Library	0	596	0	375		971	183,826	0.5%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0		0	0	
Raccoon Creek Fire Protection Dist	0	0	0	0		0	0	
TIF - Adams Township	0	0	0	0		0	0	
TIF - Rockville Town	0	20	0	0		20	64,356	0.0%
TIF - Reserve Township	0	0	0	0		0	6,631	0.0%
TIF - Union Township	0	0	0	0		0	14,007	0.0%
TIF - Wabash Township	0	0	0	0		0	9,260	0.0%
TIF - Washington Township	0	0	0	0		0	12,261	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.