

2010 Property Tax Report

Pike County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Pike 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 Pike 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 Pike 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	2,465	72.1%	83	2.4%
No Change	248	7.3%	63	1.8%
Lower Tax Bill	706	20.6%	3,273	95.7%
Average Change in Tax Bill	0.3%		-35.1%	
Detailed Change in Tax Bill				
20% or More	115	3.4%	46	1.3%
10% to 19%	76	2.2%	11	0.3%
1% to 9%	2,274	66.5%	26	0.8%
0%	248	7.3%	63	1.8%
-1% to -9%	394	11.5%	42	1.2%
-10% to -19%	78	2.3%	130	3.8%
-20% to -29%	44	1.3%	594	17.4%
-30% to -39%	33	1.0%	1,004	29.4%
-40% to -49%	32	0.9%	667	19.5%
-50% to -59%	24	0.7%	295	8.6%
-60% to -69%	19	0.6%	98	2.9%
-70% to -79%	22	0.6%	95	2.8%
-80% to -89%	9	0.3%	83	2.4%
-90% to -99%	12	0.4%	52	1.5%
-100%	39	1.1%	213	6.2%
Total	3,419	100.0%	3,419	100.0%

The average homeowner saw a 0.3% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 35.1% lower than they were in 2007, before the property tax reforms.

95.7% of homeowners saw lower tax bills in 2010 than in 2007.

85.3% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

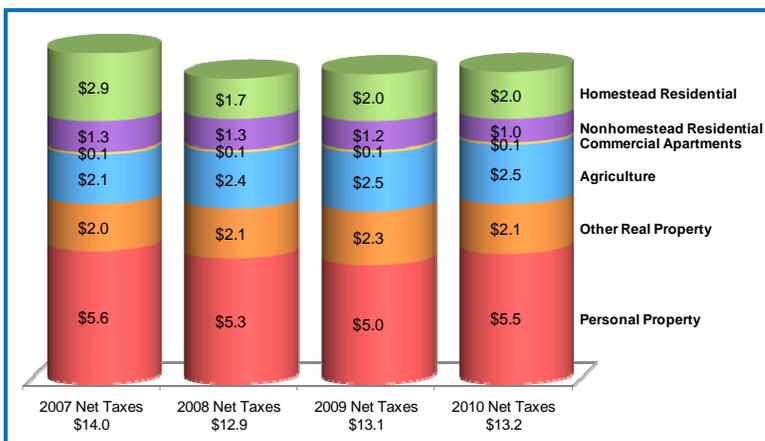
The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Pike County Overview

The small increase in homeowner tax bills resulted mainly from the fact that Pike County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county. This was primarily because Pike County home values tend to be lower than the state average. Property tax levies increased 1.3% in Pike County in 2010, less than the state average increase of 2.4%. An increase in the county general fund and the Pike County School Corporation transportation fund levies was nearly offset by a decrease in the school corporation's bus replacement fund levy. Pike County does not provide local homestead credits.

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



Net tax bills for all taxpayers increased 0.8% in Pike County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 35.9% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 17.0% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw an 8.4% decrease and a 10.5% increase, respectively, in tax bills in 2010. These changes in tax bills were mainly due to changes in assessed value and the tightening of the tax caps from 3.5% to 3% for commercial and industrial property.

Business real property assessments were reduced by 3.9%, while business personal property assessments grew by 13.7%. Agricultural business property saw a 0.9% decrease in tax payments in 2010 due to the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, tax rate reductions, and the tightening of the tax caps from 2.5% to 2% for farmland.

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 Pike County in 2010 amounted to 2.7% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to lower-than-average tax rates in Pike County and to the county having a smaller share of its net assessed value in the 2% cap category. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. Few commercial or industrial properties in the 3% tax cap category qualified for credits because the tax rate exceeded \$3 in only two tax districts. Neither Pike County tax rates nor home values were high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category
Pike County Total \$357,720**

1%	2%	3%	Elderly
\$23,501	\$271,114	\$56,871	\$6,234
6.6%	75.8%	15.9%	1.7%

Pike County, Petersburg City, and the Pike County School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Winslow lost the most, at 20.1%. Losses were greatest for units that overlapped the municipalities of Winslow and Petersburg, because these tax districts had the highest tax rates.

The Effects of Recession

In Pike County the recession has had an effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.3% in December 2007 to 9.6% in July 2009. Job losses and income declines contributed to a 1.3% drop in local income tax revenue.

Pike County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	306,737,600	305,701,500	-0.3%
Other Residential	45,775,800	45,214,100	-1.2%
Ag Business/Land	119,597,800	124,553,400	4.1%
Business Real/Personal	373,728,080	403,302,475	7.9%
Total	\$845,839,280	\$878,771,475	3.9%

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 Pike County, the gross assessed value of business real and personal property grew 7.9% in 2010. Most other assessment categories decreased, and total gross assessed value in Pike County rose 3.9%. 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.

Pike County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	18,045,448	17,730,171	13,202,009	13,375,669	-1.7%	-25.5%	1.3%
State Unit	14,457	15,420	0	0	6.7%	-100.0%	
Pike County	6,011,280	5,633,028	5,125,218	5,345,959	-6.3%	-9.0%	4.3%
Clay Township	13,503	14,464	15,131	15,029	7.1%	4.6%	-0.7%
Jefferson Township	27,406	28,442	29,433	30,949	3.8%	3.5%	5.2%
Lockhart Township	29,478	30,643	32,040	33,334	4.0%	4.6%	4.0%
Logan Township	11,327	12,344	13,110	13,608	9.0%	6.2%	3.8%
Madison Township	14,699	15,516	16,137	16,748	5.6%	4.0%	3.8%
Marion Township	10,762	11,048	11,646	12,272	2.7%	5.4%	5.4%
Monroe Township	32,294	33,898	35,645	37,136	5.0%	5.2%	4.2%
Patoka Township	28,262	29,365	31,096	32,260	3.9%	5.9%	3.7%
Washington Township	112,020	115,535	120,362	125,086	3.1%	4.2%	3.9%
Petersburg Civil City	522,615	538,498	544,138	591,811	3.0%	1.0%	8.8%
Spurgeon Civil Town	13,712	13,203	13,679	14,197	-3.7%	3.6%	3.8%
Winslow Civil Town	138,794	142,414	123,457	117,777	2.6%	-13.3%	-4.6%
Pike County School Corp	10,451,518	10,461,610	6,426,939	6,296,647	0.1%	-38.6%	-2.0%
Pike County Public Library	439,144	453,623	473,519	494,079	3.3%	4.4%	4.3%
Patoka Township Fire	105,581	110,168	116,689	121,115	4.3%	5.9%	3.8%
Jefferson-Marion Township Fire	68,596	70,952	73,770	77,662	3.4%	4.0%	5.3%
Pike County Solid Waste Dist	0	0	0	0			

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

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates						Net Tax Rate, Homesteads
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
63001	Clay Township	1.9464	--	4.6539%	--	--	--	--	--	1.8558
63002	Jefferson Township	2.0417	--	4.6539%	--	--	--	--	--	1.9467
63003	Lockhart Township	2.0233	--	4.6539%	--	--	--	--	--	1.9291
63004	Logan Township	1.9931	--	4.6539%	--	--	--	--	--	1.9003
63005	Madison Township	1.9994	--	4.6539%	--	--	--	--	--	1.9063
63006	Marion Township	2.0504	--	4.6539%	--	--	--	--	--	1.9550
63007	Monroe Township	2.0358	--	4.6539%	--	--	--	--	--	1.9411
63008	Spurgeon Town	2.6209	--	4.6539%	--	--	--	--	--	2.4989
63009	Patoka Township	2.2474	--	4.6539%	--	--	--	--	--	2.1428
63010	Winslow Town	3.3284	--	4.6539%	--	--	--	--	--	3.1735
63011	Washington Township	1.9485	--	4.6539%	--	--	--	--	--	1.8578
63012	Petersburg City	3.2003	--	4.6539%	--	--	--	--	--	3.0514

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.

Pike 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>	23,501	271,114	56,871	6,234	357,720	13,375,669	2.7%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	23,501	271,114	56,871	6,234	357,720	13,375,669	2.7%
Pike County	6,583	78,231	14,847	2,064	101,725	5,345,959	1.9%
Clay Township	0	0	0	0	0	15,029	0.0%
Jefferson Township	13	283	0	10	305	30,949	1.0%
Lockhart Township	36	199	0	47	283	33,334	0.8%
Logan Township	0	0	0	3	3	13,608	0.0%
Madison Township	0	0	0	3	3	16,748	0.0%
Marion Township	3	125	0	1	129	12,272	1.1%
Monroe Township	0	418	0	1	419	37,136	1.1%
Patoka Township	71	1,632	203	34	1,940	32,260	6.0%
Washington Township	137	1,173	326	30	1,667	125,086	1.3%
Petersburg Civil City	7,576	65,170	18,130	1,148	92,024	591,811	15.5%
Spurgeon Civil Town	0	1,618	0	4	1,622	14,197	11.4%
Winslow Civil Town	468	18,601	4,504	115	23,688	117,777	20.1%
Pike County School Corp	7,754	92,143	17,488	2,431	119,815	6,296,647	1.9%
Pike County Public Library	608	7,230	1,372	191	9,402	494,079	1.9%
Patoka Township Fire	223	3,561	0	132	3,916	121,115	3.2%
Jefferson-Marion Township Fire	29	730	0	20	779	77,662	1.0%
Pike County Solid Waste Dist	0	0	0	0	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.