

2012 Posey County Property Tax Report with Comparison to 2011



Legislative Services Agency

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This report describes property tax changes in Posey 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 Posey County the average tax bill for all taxpayers increased by 3.7%. This tax bill growth was mainly the result of an increase in certified net assessed value of 6.2%, and a smaller 1.0% increase in the tax levy of all local government units. Business, agricultural, and other residential net assessments increased substantially, but homestead assessments fell. The net assessed value increase exceeded the levy rise, so the average tax rate decreased. Circuit breaker credits as a percent of the levy increased slightly anyway, because of a tax rate increase and homestead credit decrease in tax districts with higher rates.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	3.7%	\$29,944,956	\$1,909,984,268	1.9%
Change		1.0%	6.2%	0.1%
2011	1.5%	\$29,636,027	\$1,798,155,277	1.8%

Homestead Property Taxes

Homestead property taxes decreased 9.7% on average in Posey County in 2012. Tax rates fell in all but one of the Posey County tax districts, and the county average tax rate decreased 4.9%. The percentage of homesteads at their tax caps increased from 7.4% in 2011 to 7.7% in 2012. Posey County changed from nonuniform homestead credit rates in 2011 to uniform rates for all taxing districts in 2012. Homestead credit rates in most taxing districts increased while a few were reduced.

Net Tax Bill Changes - All Property Types

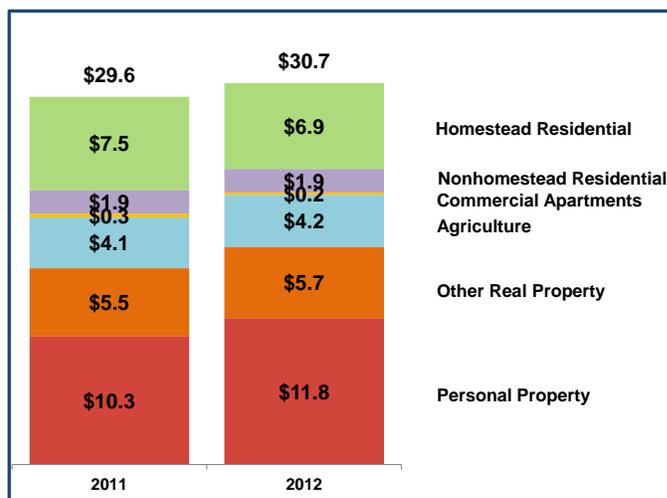
Most of Posey County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal). Net tax bills for all taxpayers increased 3.7% in Posey County in 2012. Net taxes were substantially higher for business personal property. Tax bills on agricultural property, real business property, and nonhomestead residential property (mostly small rentals and second homes) also increased. Tax bills on commercial apartments and homesteads decreased substantially.

Comparable Homestead Property Tax Changes in Posey County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	1,691	21.0%
No Change	384	4.8%
Lower Tax Bill	5,989	74.3%
Average Change in Tax Bill	-9.7%	
Detailed Change in Tax Bill		
20% or More	286	3.5%
10% to 19%	203	2.5%
1% to 9%	1,202	14.9%
0%	384	4.8%
-1% to -9%	2,457	30.5%
-10% to -19%	1,787	22.2%
-20% or More	1,745	21.6%
Total	8,064	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 but one of the Posey County tax districts. The average tax rate fell by 4.9%, because a small levy increase was offset by a larger increase in net assessed value.

Levies in Posey County increased by 1%. The largest levy increase was in M.S.D. Mount Vernon School Corporation, which had significant increases in its capital projects and transportation funds and a large decrease in its debt service fund. M.S.D. North Posey County School Corporation experienced large decreases in its bus replacement and school pension debt funds.

Posey County's total net assessed value increased 9.8% in 2012. Homestead net assessments fell, but other residential and business real and personal net assessments rose substantially. Agricultural assessments rose 10.8%. 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.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$2,162,280,200	\$2,095,585,000	-3.1%	\$951,655,950	\$907,075,658	-4.7%
Other Residential	212,223,600	231,720,800	9.2%	209,580,540	228,614,820	9.1%
Ag Business/Land	549,768,200	609,396,400	10.8%	548,686,320	607,797,912	10.8%
Business Real/Personal	2,058,834,438	2,389,936,520	16.1%	1,979,513,172	2,308,399,616	16.6%
Total	\$4,983,106,438	\$5,326,638,720	6.9%	\$3,689,435,982	\$4,051,888,006	9.8%

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 Posey County were \$590,584, or 1.9% of the levy. This was less than the state average percentage of the levy of 9.2%, but more than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Posey County's tax rates were less than the state average and the state median.

More than half of the 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 city of Mt. Vernon and the town of Griffin, where district tax rates approached \$3 per \$100 assessed value. The largest dollar losses were in the city of Mt. Vernon, the Mt. Vernon School Corporation, and the county unit.

Tax cap credits increased in Posey County in 2012 by \$66,191, or 12.6%. The percentage of the levy lost to credits rose by 0.1%. There were no major changes in state policy to affect tax cap credits in 2012. Posey County credits increased despite the general decline in tax rates, because the tax rate increased in one of the larger tax districts, and the local homestead credit rate decreased in two of the larger tax districts.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$202,057	\$223,794	\$21,737	10.8%
2%	312,056	357,202	45,146	14.5%
3%	0	0	0	0.0%
Elderly	10,280	9,588	-692	-6.7%
Total	\$524,394	\$590,584	\$66,191	12.6%
% of Levy	1.8%	1.9%		0.1%

Posey 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>	46,568,429	29,321,878	29,551,009	29,636,027	29,944,956	-37.0%	0.8%	0.3%	1.0%
State Unit	47,691	0	0	0	0	-100.0%			
Posey County	9,301,814	8,648,995	8,963,412	9,078,886	9,269,154	-7.0%	3.6%	1.3%	2.1%
Bethel Township	14,301	14,867	15,433	15,828	16,330	4.0%	3.8%	2.6%	3.2%
Black Township	794,313	791,787	791,086	794,515	822,950	-0.3%	-0.1%	0.4%	3.6%
Center Township	15,911	16,525	17,152	17,574	14,931	3.9%	3.8%	2.5%	-15.0%
Harmony Township	46,247	47,539	38,993	30,892	31,535	2.8%	-18.0%	-20.8%	2.1%
Lynn Township	53,595	55,704	57,805	59,268	61,184	3.9%	3.8%	2.5%	3.2%
Marrs Township	254,693	264,709	274,757	281,606	283,901	3.9%	3.8%	2.5%	0.8%
Point Township	17,601	18,282	18,979	19,454	19,395	3.9%	3.8%	2.5%	-0.3%
Robb Township	51,523	53,590	55,655	57,018	58,849	4.0%	3.9%	2.4%	3.2%
Robinson Township	141,849	140,369	146,144	150,565	153,095	-1.0%	4.1%	3.0%	1.7%
Smith Township	41,776	42,724	44,234	45,215	45,321	2.3%	3.5%	2.2%	0.2%
Mount Vernon Civil City	2,988,369	2,941,685	3,053,850	3,130,181	3,228,709	-1.6%	3.8%	2.5%	3.1%
Cynthiana Civil Town	64,411	62,040	66,463	67,971	65,599	-3.7%	7.1%	2.3%	-3.5%
Griffin Civil Town	11,187	10,831	11,801	12,104	12,496	-3.2%	9.0%	2.6%	3.2%
New Harmony Civil Town	136,498	140,554	145,965	149,511	153,959	3.0%	3.8%	2.4%	3.0%
Poseyville Civil Town	261,464	231,893	240,483	245,617	253,346	-11.3%	3.7%	2.1%	3.1%
M.S.D. Mount Vernon School Corp	22,814,672	9,850,349	9,725,862	9,435,794	9,779,759	-56.8%	-1.3%	-3.0%	3.6%
M.S.D. North Posey County School Corp	6,169,436	3,573,150	3,560,661	3,609,377	3,169,001	-42.1%	-0.3%	1.4%	-12.2%
New Harmony Town And Twp School Corp	1,349,939	347,995	365,347	301,514	302,869	-74.2%	5.0%	-17.5%	0.4%
New Harmony Workingmens Institute	53,589	57,594	59,801	97,953	103,751	7.5%	3.8%	63.8%	5.9%
Poseyville Carnegie Library	103,608	107,640	111,765	114,619	118,228	3.9%	3.8%	2.6%	3.1%
Alexandrian Free Public Library	1,268,296	1,318,390	1,184,991	1,309,260	1,351,630	3.9%	-10.1%	10.5%	3.2%
Griffin-Bethel Township Fire Protection	53,226	55,343	57,436	58,921	58,902	4.0%	3.8%	2.6%	0.0%
Wadesville-Center Township Fire	41,467	45,400	44,768	47,102	48,636	9.5%	-1.4%	5.2%	3.3%
Posey County Solid Waste Management Dist	470,953	483,923	498,166	505,282	521,426	2.8%	2.9%	1.4%	3.2%

Posey County 2012 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
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
65005	Center Township	1.5014	--	5.0720%	--	--	--	--	1.4252
65006	Harmony Township	0.9678	--	5.0720%	--	--	--	--	0.9187
65007	New Harmony Town	1.7884	--	5.0720%	--	--	--	--	1.6977
65008	Lynn Township	1.3890	--	5.0720%	--	--	--	--	1.3185
65010	Point Township	1.3272	--	5.0720%	--	--	--	--	1.2599
65011	Robb Township	1.4906	--	5.0720%	--	--	--	--	1.4150
65012	Poseyville Town	2.2745	--	5.0720%	--	--	--	--	2.1591
65014	Smith Township	1.5006	--	5.0720%	--	--	--	--	1.4245
65015	Cynthiana Town	2.2245	--	5.0720%	--	--	--	--	2.1117
65016	Robinson Township	1.5357	--	5.0720%	--	--	--	--	1.4578
65017	Black Township	1.4073	--	5.0720%	--	--	--	--	1.3359
65018	Mount Vernon City	2.8561	--	5.0720%	--	--	--	--	2.7112
65019	Marrs Township	1.3551	--	5.0720%	--	--	--	--	1.2864
65020	Bethel Township	1.7035	--	5.0720%	--	--	--	--	1.6171
65021	Griffin Town	2.7632	--	5.0720%	--	--	--	--	2.6231

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.

Posey 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>	223,794	357,202	0	9,588		590,584	29,944,956	2.0%
<i>TIF Total</i>	0	0	0	0		0	1,173,633	0.0%
<i>County Total</i>	223,794	357,202	0	9,588		590,584	31,118,589	1.9%
Posey County	38,486	61,629	0	2,104		102,219	9,269,154	1.1%
Bethel Township	0	62	0	0		62	16,330	0.4%
Black Township	1,219	1,871	0	137		3,228	822,950	0.4%
Center Township	0	0	0	1		1	14,931	0.0%
Harmony Township	0	0	0	2		2	31,535	0.0%
Lynn Township	0	0	0	7		7	61,184	0.0%
Marrs Township	7	0	0	18		25	283,901	0.0%
Point Township	0	0	0	0		0	19,395	0.0%
Robb Township	51	177	0	4		232	58,849	0.4%
Robinson Township	114	0	0	24		138	153,095	0.1%
Smith Township	2	104	0	16		122	45,321	0.3%
Mount Vernon Civil City	119,777	183,840	0	3,415		307,032	3,228,709	9.5%
Cynthiana Civil Town	49	2,080	0	330		2,460	65,599	3.8%
Griffin Civil Town	0	1,010	0	1		1,011	12,496	8.1%
New Harmony Civil Town	0	0	0	31		31	153,959	0.0%
Poseyville Civil Town	1,553	5,424	0	2		6,979	253,346	2.8%
M.S.D. Mount Vernon School Corp	51,231	78,551	0	2,370		132,152	9,779,759	1.4%
M.S.D. North Posey County School Corp	2,532	8,402	0	611		11,545	3,169,001	0.4%
New Harmony Town And Twp School Corp	0	0	0	30		30	302,869	0.0%
New Harmony Workingmens Institute	0	0	0	21		21	103,751	0.0%
Poseyville Carnegie Library	99	522	0	26		646	118,228	0.5%
Alexandrian Free Public Library	6,510	9,836	0	317		16,663	1,351,630	1.2%
Griffin-Bethel Township Fire Protection	0	225	0	0		225	58,902	0.4%
Wadesville-Center Township Fire	0	0	0	2		2	48,636	0.0%
Posey County Solid Waste	0	0	0	0		0	0	
Posey County Solid Waste Management Dist	2,165	3,467	0	118		5,750	521,426	1.1%
TIF - Marrs Township	0	0	0	0		0	942,307	0.0%
TIF - Mount Vernon City	0	0	0	0		0	231,326	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.