

2009 PULASKI COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

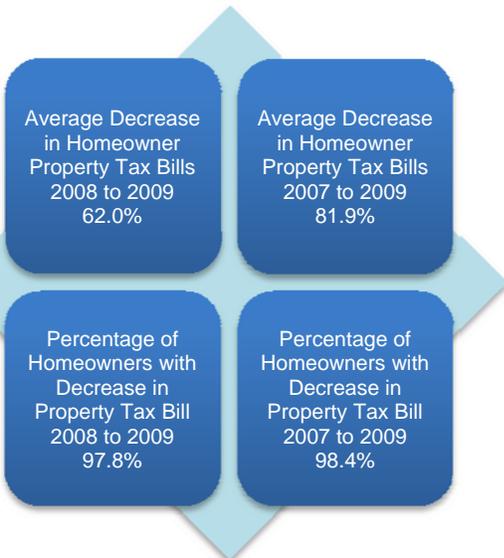


Legislative Services Agency

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 Pulaski 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	24	0.8%	10	0.3%
10% to 19%	5	0.2%	1	0.0%
1% to 9%	4	0.1%	4	0.1%
0%	36	1.2%	35	1.1%
-1% to -9%	11	0.4%	3	0.1%
-10% to -19%	35	1.1%	2	0.1%
-20% to -29%	74	2.4%	6	0.2%
-30% to -39%	261	8.4%	9	0.3%
-40% to -49%	637	20.4%	22	0.7%
-50% to -59%	911	29.2%	102	3.3%
-60% to -69%	554	17.8%	319	10.2%
-70% to -79%	215	6.9%	1,085	34.8%
-80% to -89%	130	4.2%	1,139	36.6%
-90% to -99%	93	3.0%	249	8.0%
-100%	125	4.0%	130	4.2%
Total	3,115	100.0%	3,116	100.0%
Higher Tax Bill	33	1.1%	15	0.5%
No Change	36	1.2%	35	1.1%
Lower Tax Bill	3,046	97.8%	3,066	98.4%
Average Change in Tax Bill	-62.0%		-81.9%	

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	Pulaski County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-7.2%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-38.7%	-30.6%
State PTRC Percentage, 2008	24.3%	20.1%
Total State Homestead Credit, 2008	44.4%	39.5%
Total State Homestead Credit, 2009	26.4%	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. Average homeowner tax bills in Pulaski County decreased by 62.0%. Pulaski saw a smaller-than-average decrease in assessed value in 2009, and Pulaski County local units decreased their local tax levies as well. School general fund and county welfare levies were a larger-than-average share of Pulaski County's levy in 2008. These changes resulted in a larger-than-average reduction in tax rates. In addition, the county adopted a local option income tax for property tax relief in 2008, and it continued to reduce homeowner tax bills in 2009. All these factors contributed to a very large reduction in homeowner tax bills. No Pulaski County homeowners were eligible for the circuit

2009 Property Tax Changes:

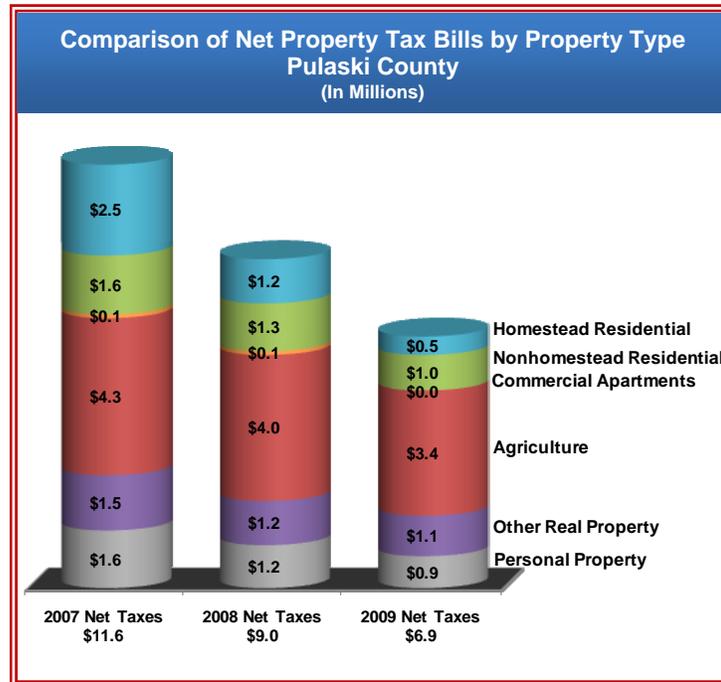
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Pulaski County, as they were in most Indiana counties.



In Pulaski County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw an 18.9% decline in average property tax bills. Average tax bills on commercial apartments decreased 20.1%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 15.2% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 12.7%. Personal property, which is largely business equipment, saw a 23.7% decrease 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 Pulaski County \$0

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

1.5%
Homestead qualifying property
\$0 0.0%

2.5%
Other qualified residential property
\$0 0.0%

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

Elderly
\$0 0.0%

Pulaski 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	\$16,453,620	\$16,600,075	\$10,190,928	0.9%	-38.6%	-5.1%
State Unit	15,312	16,993	0	11.0%	-100.0%	
Pulaski County	5,835,071	5,016,552	3,855,439	-14.0%	-23.1%	-5.3%
Beaver Township	18,761	19,518	19,227	4.0%	-1.5%	-1.5%
Cass Township	23,200	23,058	23,586	-0.6%	2.3%	2.3%
Franklin Township	13,646	13,870	13,898	1.6%	0.2%	0.2%
Harrison Township	22,954	23,303	22,506	1.5%	-3.4%	-3.4%
Indian Creek Township	17,941	18,185	18,163	1.4%	-0.1%	-0.1%
Jefferson Township	16,706	16,420	16,548	-1.7%	0.8%	0.8%
Monroe Township	58,912	58,753	58,473	-0.3%	-0.5%	-0.5%
Rich Grove Township	24,783	25,497	25,620	2.9%	0.5%	0.5%
Salem Township	68,518	69,014	68,870	0.7%	-0.2%	-0.2%
Tippecanoe Township	39,388	40,470	40,063	2.7%	-1.0%	-1.0%
Van Buren Township	56,544	66,229	64,790	17.1%	-2.2%	-2.2%
White Post Township	58,654	62,138	61,261	5.9%	-1.4%	-1.4%
Francesville Civil Town	130,265	130,051	130,160	-0.2%	0.1%	0.1%
Medaryville Civil Town	151,366	171,476	166,860	13.3%	-2.7%	-2.7%
Monterey Civil Town	43,110	40,617	42,946	-5.8%	5.7%	5.7%
Winamac Civil Town	456,661	502,450	485,778	10.0%	-3.3%	-3.3%
Culver Community School Corporation	331,416	426,105	175,698	28.6%	-58.8%	-20.8%
Eastern Pulaski Community School Corporation	5,098,847	5,388,761	2,421,394	5.7%	-55.1%	-8.0%
West Central School Corporation	2,707,660	2,933,775	1,246,731	8.4%	-57.5%	3.2%
North Judson-San Pierre School Corporation	678,459	684,364	483,534	0.9%	-29.3%	3.2%
Francesville Public Library	123,053	123,241	124,330	0.2%	0.9%	0.9%
Monterey Public Library	80,330	81,635	84,358	1.6%	3.3%	3.3%
Pulaski County Public Library	382,063	647,600	540,695	69.5%	-16.5%	-16.5%
Northwest Indiana Solid Waste Mgt. 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.

Pulaski 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	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	Rate-Real	2008	2009	2008	2009
Beaver Township II	0.6	0.6	-5.8%	13,624	7,864	-42.3%	2.1757	1.3334	25.76%	42.70%	26.37%	28.89%	60.75%
Beaver Township I	46.0	46.8	1.8%	925,764	552,644	-40.3%	2.0144	1.1809	27.37%	44.55%	26.37%	28.89%	60.75%
Cass Township	29.1	25.6	-11.9%	626,693	338,887	-45.9%	2.1570	1.3236	26.33%	44.57%	26.37%	28.89%	60.75%
Cass Township - North	7.4	6.7	-10.2%	173,837	121,593	-30.1%	2.3436	1.8256	18.65%	40.40%	26.37%	28.89%	60.75%
Franklin Township	33.6	30.7	-8.5%	771,169	445,293	-42.3%	2.2964	1.4485	24.98%	42.74%	26.37%	28.89%	60.75%
Harrison Township	44.2	39.8	-9.9%	1,020,447	581,698	-43.0%	2.3078	1.4600	24.93%	42.80%	26.37%	28.89%	60.75%
Indian Creek Township	44.4	41.6	-6.1%	1,018,414	602,668	-40.8%	2.2961	1.4470	24.97%	42.70%	26.37%	28.89%	60.75%
Jefferson Township - East	11.7	10.4	-10.9%	269,986	152,284	-43.6%	2.3026	1.4576	24.98%	42.84%	26.37%	28.89%	60.75%
Jefferson Township	22.8	20.2	-11.8%	489,153	262,991	-46.2%	2.1413	1.3051	26.43%	44.57%	26.37%	28.89%	60.75%
Monroe Township	124.8	116.3	-6.8%	2,866,153	1,684,789	-41.2%	2.2965	1.4483	24.87%	42.44%	26.37%	28.89%	60.75%
Winamac Corp (Monroe)	67.6	56.4	-16.7%	2,038,986	1,283,191	-37.1%	3.0142	2.2768	23.22%	47.16%	26.37%	28.89%	60.75%
Rich Grove Township	39.8	38.8	-2.6%	933,180	705,421	-24.4%	2.3444	1.8186	18.59%	40.24%	26.37%	28.89%	60.75%
Salem Township	57.7	60.1	4.0%	1,289,117	843,210	-34.6%	2.2328	1.4041	25.75%	44.37%	26.37%	28.89%	60.75%
Francesville Corp (Salem)	20.3	16.5	-18.8%	572,718	353,211	-38.3%	2.8193	2.1400	24.36%	48.76%	26.37%	28.89%	60.75%
Tippecanoe Township	45.5	42.0	-7.6%	828,958	525,773	-36.6%	1.8215	1.2510	21.48%	44.01%	26.37%	28.89%	60.75%
Monterey Corp (Tippecanoe)	4.0	3.2	-20.8%	112,024	81,274	-27.4%	2.7823	2.5485	20.38%	50.39%	26.37%	28.89%	60.75%
Van Buren Township	52.4	46.5	-11.1%	1,246,865	717,497	-42.5%	2.3816	1.5424	24.45%	42.68%	26.37%	28.89%	60.75%
White Post Township	43.9	43.8	-0.2%	975,454	603,512	-38.1%	2.2199	1.3768	25.95%	44.71%	26.37%	28.89%	60.75%
Medaryville Corp (White Post)	12.7	11.4	-9.7%	443,657	316,582	-28.6%	3.4993	2.7656	23.20%	51.55%	26.37%	28.89%	60.75%
County Totals/Averages	708.6	657.5	-7.2%	16,616,199	10,180,382	-38.7%	2.3445	1.5482	24.31%	44.42%	26.37%	28.89%	60.75%

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.

Pulaski County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	Total
Pulaski County	3,855,439	0	0	0	0	0
Beaver Township	19,227	0	0	0	0	0
Cass Township	23,586	0	0	0	0	0
Franklin Township	13,898	0	0	0	0	0
Harrison Township	22,506	0	0	0	0	0
Indian Creek Township	18,163	0	0	0	0	0
Jefferson Township	16,548	0	0	0	0	0
Monroe Township	58,473	0	0	0	0	0
Rich Grove Township	25,620	0	0	0	0	0
Salem Township	68,870	0	0	0	0	0
Tippecanoe Township	40,063	0	0	0	0	0
Van Buren Township	64,790	0	0	0	0	0
White Post Township	61,261	0	0	0	0	0
Francesville Civil Town	130,160	0	0	0	0	0
Medaryville Civil Town	166,860	0	0	0	0	0
Monterey Civil Town	42,946	0	0	0	0	0
Winamac Civil Town	485,778	0	0	0	0	0
Culver Community School Corporation	175,698	0	0	0	0	0
Eastern Pulaski Community School Corporation	2,421,394	0	0	0	0	0
West Central School Corporation	1,246,731	0	0	0	0	0
North Judson-San Pierre School Corporation	483,534	0	0	0	0	0
Francesville Public Library	124,330	0	0	0	0	0
Monterey Public Library	84,358	0	0	0	0	0
Pulaski County Public Library	540,695	0	0	0	0	0
Northwest Indiana Solid Waste Management	0	0	0	0	0	0
Total - All Taxing Units	10,190,928	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.

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.