

2010 Property Tax Report

Pulaski County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Pulaski 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 Pulaski 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 Pulaski 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	1,690	49.3%	26	0.8%
No Change	554	16.2%	34	1.0%
Lower Tax Bill	1,186	34.6%	3,370	98.3%
Average Change in Tax Bill	3.6%		-78.0%	
Detailed Change in Tax Bill				
20% or More	517	15.1%	19	0.6%
10% to 19%	389	11.3%	3	0.1%
1% to 9%	784	22.9%	4	0.1%
0%	554	16.2%	34	1.0%
-1% to -9%	565	16.5%	3	0.1%
-10% to -19%	429	12.5%	8	0.2%
-20% to -29%	79	2.3%	8	0.2%
-30% to -39%	26	0.8%	16	0.5%
-40% to -49%	25	0.7%	47	1.4%
-50% to -59%	13	0.4%	94	2.7%
-60% to -69%	6	0.2%	389	11.3%
-70% to -79%	7	0.2%	1,049	30.6%
-80% to -89%	4	0.1%	1,028	30.0%
-90% to -99%	3	0.1%	230	6.7%
-100%	29	0.8%	498	14.5%
Total	3,430	100.0%	3,430	100.0%

The average homeowner saw a 3.6% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 78.0% lower than they were in 2007, before the property tax reforms.

98.3% of homeowners saw lower tax bills in 2010 than in 2007.

55.6% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

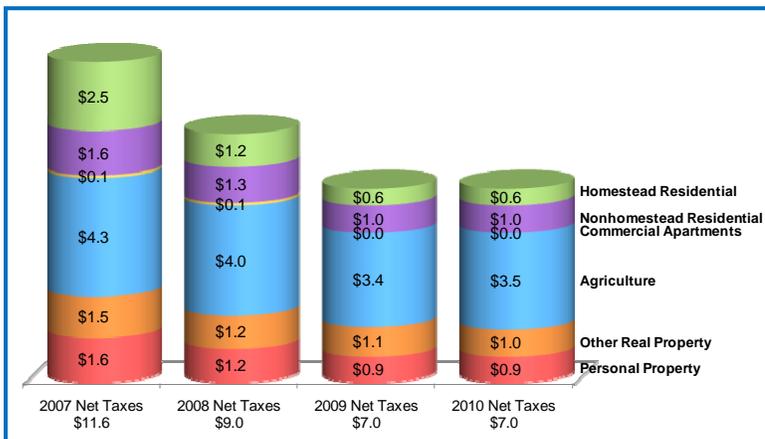
The largest percentage of homeowners have seen between a 70% and 89% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Pulaski County Overview

The larger-than-average increase in homeowner tax bills had several causes. Pulaski County homeowner taxes are low, due to large local homestead credits funded by local income taxes. Even small increases in homeowner taxes will produce large percentage increases. Pulaski County homeowners did not benefit from the one percent property tax cap, primarily because the large local homestead credit kept homeowner tax bills low. The state homestead credit decreased in the county more than the state average. Property tax levies decreased 0.6% in Pulaski County in 2010, compared to the state average increase of 2.4%. The largest levy decreases were in the Eastern Pulaski School Corporation's debt service funds.

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



Net tax bills for all taxpayers decreased 0.6% in Pulaski County from 2009 to 2010. This was slightly less than the statewide reduction of 1.4%. In 2010 apartment owners saw a 4.7% decrease in tax bills. This decrease was due mainly to a reduction in apartment assessed valuation. Residential property (mostly small rental residences) saw a 7.3% decrease in tax bills, mainly due to a lower rate of assessed value growth than other classes of property. The tightening of the tax caps from 2.5% to 2% for rental housing affected apartment and other residential tax bills to a lesser extent than the valuation changes. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 6.4% decrease and a 0.5% increase, respectively, in

tax bills in 2010. These changes in tax bills were mainly due to changes in assessed value. After deductions and exemptions, business real property net assessed value declined by 2.6%, while personal property net assessed value grew by 3.7%. Commercial and industrial property did not benefit from the tightened tax caps because Pulaski County's tax rates were not high enough for this type of property to qualify for tax cap credits. Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw only a 1.3% increase in tax payments in 2010 because tax rates fell in 11 of 19 tax districts.

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 Pulaski County in 2010 amounted to 0.1% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was mostly due to much lower-than-average tax rates and very high LOIT-funded property tax credits in Pulaski County. Only a small number of parcels in 2% cap category were eligible for tax cap credits. No commercial or industrial properties in the 3% tax cap category qualified for credits because all Pulaski County tax rates were under \$3. Pulaski County tax rates were not high enough for any homesteads to qualify for credits in the 1% category, although a few low-income, elderly homeowners received credits under the 2% annual growth limit for their net taxes.

**2010 Circuit Breaker Credits by Cap Category
Pulaski County Total \$5,888**

1%	2%	3%	Elderly
\$0	\$5,580	\$0	\$307
0.0%	94.8%	0.0%	5.2%

Pulaski County, the town of Medaryville, and the West Central School Corporation saw most of the revenue losses from the tax caps in 2010.

The Effects of Recession

In Pulaski 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 4.2% in December 2007 to 10.4% in July 2009. Despite job losses, local income tax revenue grew by 0.7%.

Pulaski County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	350,174,800	352,511,400	0.7%
Other Residential	64,159,800	64,469,740	0.5%
Ag Business/Land	298,892,800	311,255,300	4.1%
Business Real/Personal	195,037,870	192,062,270	-1.5%
Total	\$908,265,270	\$920,298,710	1.3%

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 Pulaski County, the gross assessed value of business real and personal property declined by 1.5% in 2010. Other assessment categories increased, and total gross assessed value in Pulaski County rose 1.3%. 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.

Pulaski County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	%Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	16,453,620	16,600,075	10,190,928	10,134,304	0.9%	-38.6%	-0.6%
State Unit	15,312	16,993	0	0	11.0%	-100.0%	
Pulaski County	5,835,071	5,016,552	3,855,439	3,999,857	-14.0%	-23.1%	3.7%
Beaver Township	18,761	19,518	19,227	18,543	4.0%	-1.5%	-3.6%
Cass Township	23,200	23,058	23,586	23,286	-0.6%	2.3%	-1.3%
Franklin Township	13,646	13,870	13,898	13,700	1.6%	0.2%	-1.4%
Harrison Township	22,954	23,303	22,506	22,794	1.5%	-3.4%	1.3%
Indian Creek Township	17,941	18,185	18,163	16,054	1.4%	-0.1%	-11.6%
Jefferson Township	16,706	16,420	16,548	16,319	-1.7%	0.8%	-1.4%
Monroe Township	58,912	58,753	58,473	57,704	-0.3%	-0.5%	-1.3%
Rich Grove Township	24,783	25,497	25,620	25,274	2.9%	0.5%	-1.4%
Salem Township	68,518	69,014	68,870	68,134	0.7%	-0.2%	-1.1%
Tippecanoe Township	39,388	40,470	40,063	39,743	2.7%	-1.0%	-0.8%
Van Buren Township	56,544	66,229	64,790	63,938	17.1%	-2.2%	-1.3%
White Post Township	58,654	62,138	61,261	60,472	5.9%	-1.4%	-1.3%
Francesville Civil Town	130,265	130,051	130,160	129,207	-0.2%	0.1%	-0.7%
Medaryville Civil Town	151,366	171,476	166,860	166,581	13.3%	-2.7%	-0.2%
Monterey Civil Town	43,110	40,617	42,946	42,135	-5.8%	5.7%	-1.9%
Winamac Civil Town	456,661	502,450	485,778	485,950	10.0%	-3.3%	0.0%
Culver Community School Corp	331,416	426,105	175,698	193,513	28.6%	-58.8%	10.1%
Eastern Pulaski Community School Corp	5,098,847	5,388,761	2,421,394	2,098,507	5.7%	-55.1%	-13.3%
West Central School Corp	2,707,660	2,933,775	1,246,731	1,383,371	8.4%	-57.5%	11.0%
North Judson-San Pierre School Corp	678,459	684,364	483,534	475,695	0.9%	-29.3%	-1.6%
Francesville Public Library	123,053	123,241	124,330	122,725	0.2%	0.9%	-1.3%
Monterey Public Library	80,330	81,635	84,358	80,603	1.6%	3.3%	-4.5%
Pulaski County Public Library	382,063	647,600	540,695	530,199	69.5%	-16.5%	-1.9%
Northwest Indiana Solid Waste Mgt Dist	0	0	0	0			

Pulaski 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	CREDIT Residential	LOIT Homestead	LOIT Residential	
66001	Beaver Township II	1.2392	24.4238%	21.8646%	--	38.2587%	--	--	--	0.1915
66002	Beaver Township I	1.2295	24.4238%	21.8646%	--	38.2587%	--	--	--	0.1900
66003	Cass Township	1.3656	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2110
66004	Cass Township - North	1.7745	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2742
66005	Franklin Township	1.3533	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2091
66006	Harrison Township	1.3653	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2110
66007	Indian Creek Township	1.3458	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2080
66008	Jefferson Township - East	1.3606	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2103
66009	Jefferson Township	1.3509	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2088
66010	Monroe Township	1.3543	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2093
66011	Winamac Corp (Monroe)	2.2390	24.4238%	21.8646%	--	38.2587%	--	--	--	0.3460
66012	Rich Grove Township	1.7715	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2737
66013	Salem Township	1.4506	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2242
66014	Francesville Corp (Salem)	2.1903	24.4238%	21.8646%	--	38.2587%	--	--	--	0.3385
66015	Tippecanoe Township	1.2562	24.4238%	21.8646%	--	38.2587%	--	--	--	0.1941
66016	Monterey Corp (Tippecanoe)	2.5008	24.4238%	21.8646%	--	38.2587%	--	--	--	0.3864
66017	Van Buren Township	1.4354	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2218
66018	White Post Township	1.4242	24.4238%	21.8646%	--	38.2587%	--	--	--	0.2201
66019	Medaryville Corp (White Post)	2.8694	24.4238%	21.8646%	--	38.2587%	--	--	--	0.4434

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.

Pulaski 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>	0	5,580	0	307	5,888	10,134,304	0.1%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	0	5,580	0	307	5,888	10,134,304	0.1%
Pulaski County	0	1,158	0	123	1,280	3,999,857	0.0%
Beaver Township	0	0	0	0	0	18,543	0.0%
Cass Township	0	0	0	3	3	23,286	0.0%
Franklin Township	0	0	0	2	2	13,700	0.0%
Harrison Township	0	0	0	0	0	22,794	0.0%
Indian Creek Township	0	0	0	1	1	16,054	0.0%
Jefferson Township	0	0	0	0	0	16,319	0.0%
Monroe Township	0	0	0	0	0	57,704	0.0%
Rich Grove Township	0	0	0	0	0	25,274	0.0%
Salem Township	0	0	0	0	0	68,134	0.0%
Tippecanoe Township	0	0	0	1	1	39,743	0.0%
Van Buren Township	0	0	0	5	5	63,938	0.0%
White Post Township	0	100	0	0	100	60,472	0.2%
Francesville Civil Town	0	0	0	4	4	129,207	0.0%
Medaryville Civil Town	0	2,953	0	0	2,953	166,581	1.8%
Monterey Civil Town	0	0	0	0	0	42,135	0.0%
Winamac Civil Town	0	0	0	21	21	485,950	0.0%
Culver Community School Corp	0	0	0	5	5	193,513	0.0%
Eastern Pulaski Community School Corp	0	0	0	81	81	2,098,507	0.0%
West Central School Corp	0	1,162	0	35	1,197	1,383,371	0.1%
North Judson-San Pierre School Corp	0	0	0	4	4	475,695	0.0%
Francesville Public Library	0	0	0	1	1	122,725	0.0%
Monterey Public Library	0	0	0	2	2	80,603	0.0%
Pulaski County Public Library	0	208	0	20	228	530,199	0.0%
Northwest Indiana Solid Waste Mgt 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.