

# 2010 Property Tax Report

## Rush County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Rush 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 Rush 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 Rush County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	3,985	89.0%	299	6.7%
No Change	171	3.8%	36	0.8%
Lower Tax Bill	323	7.2%	4,144	92.5%
<b>Average Change in Tax Bill</b>	<b>10.6%</b>		<b>-25.1%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	659	14.7%	133	3.0%
10% to 19%	1,506	33.6%	46	1.0%
1% to 9%	1,820	40.6%	120	2.7%
0%	171	3.8%	36	0.8%
-1% to -9%	181	4.0%	359	8.0%
-10% to -19%	67	1.5%	656	14.6%
-20% to -29%	23	0.5%	1,125	25.1%
-30% to -39%	6	0.1%	827	18.5%
-40% to -49%	11	0.2%	476	10.6%
-50% to -59%	6	0.1%	198	4.4%
-60% to -69%	5	0.1%	152	3.4%
-70% to -79%	3	0.1%	91	2.0%
-80% to -89%	1	0.0%	71	1.6%
-90% to -99%	1	0.0%	52	1.2%
-100%	19	0.4%	137	3.1%
<b>Total</b>	<b>4,479</b>	<b>100.0%</b>	<b>4,479</b>	<b>100.0%</b>

The average homeowner saw a 10.6% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 25.1% lower than they were in 2007, before the property tax reforms.

92.5% of homeowners saw lower tax bills in 2010 than in 2007.

74.2% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

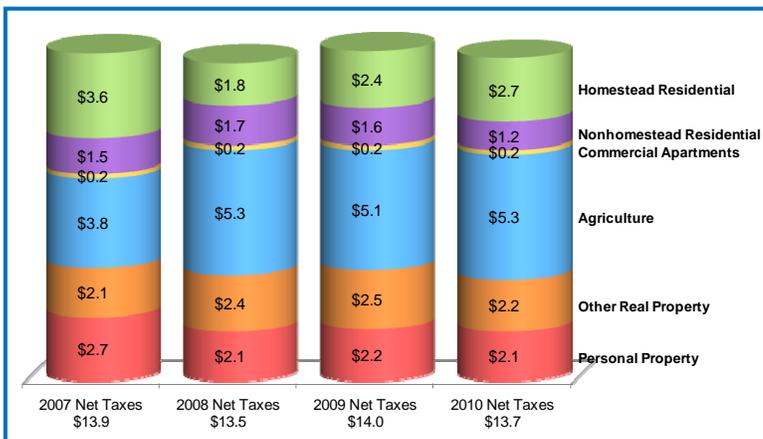
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

### Rush County Overview

The much larger-than-average increase in homeowner tax bills had two main causes. The county saw a decrease in local homestead property tax credit rates, because of a decrease in the local income tax revenues which fund these credits. Rush County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because the large homestead credit, though declining, still held homeowner tax bills down. Property tax levies increased 3.3% in Rush County in 2010, similar to the state average increase of 2.4%. Levy increases in the Rush County School Corporation's debt service fund were offset by a drop in the county's welfare bond fund.

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



Net tax bills for all taxpayers decreased 1.7% in Rush County from 2009 to 2010. This was greater than the statewide reduction of 1.4%. In 2010 apartment owners saw a 23.1% 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 20.8% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw an 11.6% and 4.3% decrease, respectively, in tax bills in 2010. This was mainly because of the tightening of the tax caps from 3.5% to 3%.

Agricultural business property saw a 3.7% increase in tax payments in 2010 mainly because of 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 Rush County in 2010 amounted to 9.6% of the total property tax levy. The statewide average was 6.3%. The larger percentage loss in the county was partly due to Rush County having a large portion of its commercial and industrial property in high tax rate districts. Over 53% of commercial and industrial property assessed value is located in the 3 taxing districts where tax rates exceeded \$3, so over half of the property in the 3% tax cap category qualified for credits. Tax rates in 4 of 16 total taxing districts were significantly over \$2, so housing in the 2% cap category in these districts received a large amount of credits. Neither Rush 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  
Rush County Total \$1,551,770**

1%	2%	3%	Elderly
\$52,258	\$862,650	\$586,984	\$49,878
3.4%	55.6%	37.8%	3.2%

Rush County, Rushville City, and the Rush County School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, Rushville City and the Rushville Public Library lost the most, at 22.9% each. Losses were greatest for units that overlapped Rushville City, because its tax districts had the highest tax rates.

### The Effects of Recession

In Rush 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 4.5% in December 2007 to 10.5% in July 2009. Job losses and income declines contributed to a 0.6% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Rush County in 2010.

**Rush County Gross Assessed Value by Property Type**

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	517,769,300	524,676,000	1.3%
Other Residential	55,487,900	56,378,200	1.6%
Ag Business/Land	345,227,900	359,818,600	4.2%
Business Real/Personal	233,678,690	224,907,980	-3.8%
<b>Total</b>	<b>\$1,152,163,790</b>	<b>\$1,165,780,780</b>	<b>1.2%</b>

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 Rush County, the gross assessed value of business real and personal property fell 3.8% in 2010. Other assessment categories increased, and total gross assessed value in Rush County rose 1.2%. 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.

**Rush County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	19,520,119	21,589,661	15,245,852	15,741,873	10.6%	-29.4%	3.3%
State Unit	18,783	20,371	0	0	8.5%	-100.0%	
Rush County	4,396,088	5,008,758	4,386,937	4,070,945	13.9%	-12.4%	-7.2%
Anderson Township	38,942	40,715	41,970	43,121	4.6%	3.1%	2.7%
Center Township	28,266	30,448	31,501	32,322	7.7%	3.5%	2.6%
Jackson Township	31,356	33,908	34,265	36,848	8.1%	1.1%	7.5%
Noble Township	11,589	12,008	12,443	12,648	3.6%	3.6%	1.6%
Orange Township	6,590	6,840	7,133	7,236	3.8%	4.3%	1.4%
Posey Township	57,404	60,451	61,059	63,805	5.3%	1.0%	4.5%
Richland Township	12,417	13,074	13,596	13,882	5.3%	4.0%	2.1%
Ripley Township	64,534	67,495	70,061	83,060	4.6%	3.8%	18.6%
Rushville Township	59,193	62,531	88,534	87,356	5.6%	41.6%	-1.3%
Union Township	11,794	12,148	12,837	13,018	3.0%	5.7%	1.4%
Walker Township	20,309	17,184	17,496	12,893	-15.4%	1.8%	-26.3%
Washington Township	33,211	34,290	35,796	36,456	3.2%	4.4%	1.8%
Rushville Civil City	3,483,893	3,571,532	3,595,849	3,724,908	2.5%	0.7%	3.6%
Carthage Civil Town	146,749	152,984	155,313	155,294	4.2%	1.5%	0.0%
Glenwood Civil Town	35,777	37,733	38,707	38,291	5.5%	2.6%	-1.1%
Charles A. Beard Memorial School Corp	1,392,626	1,417,540	735,645	898,509	1.8%	-48.1%	22.1%
Rush County School Corp	9,445,938	10,761,105	5,572,260	6,062,446	13.9%	-48.2%	8.8%
Carthage-Henry Hensley Public Library	1,759	1,857	1,933	1,977	5.6%	4.1%	2.3%
Rushville Public Library	222,901	226,689	235,964	247,080	1.7%	4.1%	4.7%
Rush County Solid Waste Mgt Dist	0	0	96,553	99,778			3.3%
Rushville Redevelopment Comm	0	0	0	0			

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

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			State LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
70001	Anderson Township	1.4213	--	4.0706%	--	32.3370%	--	--	0.9038
70002	Center Township	1.4132	--	4.0706%	--	10.1814%	--	--	1.2118
70003	Jackson Township	1.4522	--	4.0706%	--	13.7028%	--	--	1.1941
70004	Noble Township	1.3790	--	4.0706%	--	22.1969%	--	--	1.0168
70005	Orange Township	1.3664	--	4.0706%	--	23.8947%	--	--	0.9843
70006	Posey Township	1.4696	--	4.0706%	--	13.9117%	--	--	1.2053
70007	Richland Township	1.3905	--	4.0706%	--	38.4393%	--	--	0.7994
70008	Ripley Township	1.9854	--	4.0706%	--	1.9038%	--	--	1.8668
70009	Carthage	3.0740	--	4.0706%	--	8.1958%	--	--	2.6969
70010	Rushville Township	1.4229	--	4.0706%	--	26.9290%	--	--	0.9818
70011	Rushville City	3.8512	--	4.0706%	--	27.6579%	--	--	2.6293
70012	Union Township	1.3778	--	4.0706%	--	18.1874%	--	--	1.0711
70013	Glenwood City	2.8224	--	4.0706%	--	0.4225%	--	--	2.6956
70014	Walker Township	1.3795	--	4.0706%	--	28.7655%	--	--	0.9265
70015	Washington Township	1.4408	--	4.0706%	--	25.1634%	--	--	1.0196
70016	Rushville City-Jackson	3.8644	--	4.0706%	--	--	--	--	3.7071

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.

### Rush 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	(3%) Elderly			
<i>Non-TIF Total</i>	52,258	862,433	544,125	49,878	1,508,694	15,741,873	9.6%
<i>TIF Total</i>	0	217	42,859	0	43,076	360,169	12.0%
<i>County Total</i>	52,258	862,651	586,984	49,878	1,551,770	16,102,042	9.6%
Rush County	7,268	116,913	72,104	8,324	204,609	4,070,945	5.0%
Anderson Township	0	0	0	17	17	43,121	0.0%
Center Township	0	0	0	12	12	32,322	0.0%
Jackson Township	0	16	254	11	281	36,848	0.8%
Noble Township	0	0	0	8	9	12,648	0.1%
Orange Township	0	0	0	4	4	7,236	0.1%
Posey Township	36	0	0	86	121	63,805	0.2%
Richland Township	0	0	0	3	3	13,882	0.0%
Ripley Township	153	1,751	48	234	2,186	83,060	2.6%
Rushville Township	185	3,090	2,004	264	5,543	87,356	6.3%
Union Township	1	50	0	6	57	13,018	0.4%
Walker Township	0	0	0	8	8	12,893	0.1%
Washington Township	0	0	0	12	12	36,456	0.0%
Rushville Civil City	28,351	474,800	327,870	23,196	854,216	3,724,908	22.9%
Carthage Civil Town	1,455	25,623	697	1,146	28,921	155,294	18.6%
Glenwood Civil Town	65	3,985	0	163	4,214	38,291	11.0%
Charles A. Beard Memorial School Corp	2,241	30,090	818	2,888	36,037	898,509	4.0%
Rush County School Corp	10,425	171,430	116,807	11,740	310,401	6,062,446	5.1%
Carthage-Henry Hensley Public Library	19	326	9	15	368	1,977	18.6%
Rushville Public Library	1,881	31,494	21,748	1,539	56,662	247,080	22.9%
Rush County Solid Waste Mgt Dist	178	2,866	1,767	204	5,015	99,778	5.0%
Rushville Redevelopment Comm	0	0	0	0	0	0	
TIF - Rushville City-Jackson	0	91	42,859	0	42,950	359,962	11.9%
TIF - Expanded Alloc #1 - Jackson Twp	0	0	0	0	0	72	0.0%
TIF - Allocation #2-City Rushville	0	126	0	0	126	136	92.6%

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.