

# 2010 Property Tax Report

## Scott County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Scott 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 Scott 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 Scott 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	4,439	75.6%	409	7.0%
No Change	228	3.9%	77	1.3%
Lower Tax Bill	1,203	20.5%	5,384	91.7%
<b>Average Change in Tax Bill</b>	<b>5.7%</b>		<b>-27.3%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	442	7.5%	196	3.3%
10% to 19%	1,537	26.2%	65	1.1%
1% to 9%	2,460	41.9%	148	2.5%
0%	228	3.9%	77	1.3%
-1% to -9%	616	10.5%	307	5.2%
-10% to -19%	248	4.2%	775	13.2%
-20% to -29%	153	2.6%	1,121	19.1%
-30% to -39%	47	0.8%	1,215	20.7%
-40% to -49%	28	0.5%	901	15.3%
-50% to -59%	18	0.3%	397	6.8%
-60% to -69%	22	0.4%	179	3.0%
-70% to -79%	13	0.2%	137	2.3%
-80% to -89%	14	0.2%	93	1.6%
-90% to -99%	10	0.2%	82	1.4%
-100%	34	0.6%	177	3.0%
<b>Total</b>	<b>5,870</b>	<b>100.0%</b>	<b>5,870</b>	<b>100.0%</b>

The average homeowner saw a 5.7% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 27.3% lower than they were in 2007, before the property tax reforms.

91.7% of homeowners saw lower tax bills in 2010 than in 2007.

68.1% of homeowners saw tax increases of between 1% and 19% from 2009 to 2010.

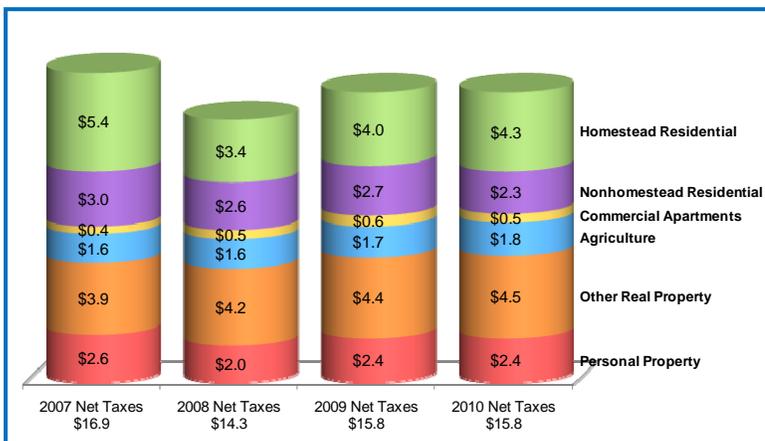
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

### Scott County Overview

The larger-than-average increase in homeowner tax bills had several causes. The assessed value of commercial and industrial property fell in Scott County in 2010, resulting in a tax shift to homeowners. 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. And, Scott County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, because Scott County home values tend to be lower than the state average and because the local homestead credit holds homeowner tax bills down. Property tax levies increased 1% in Scott County in 2010, less than the state average increase of 2.4%. Levy increases in the Scott School District No. 2 bus replacement fund were offset by decreases in the Scott School District No. 1 bus replacement fund and in the county courthouse lease rental fund, health fund, and emergency medical fund.

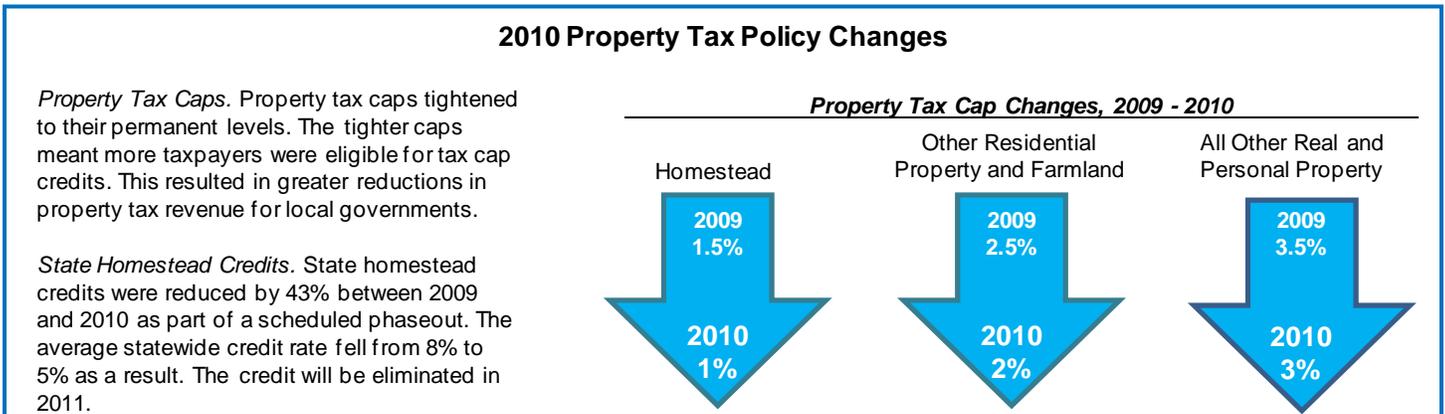
**Comparison of Net Property Tax by Property Type  
(In Millions)**



Overall, net tax bills for all taxpayers did not change in Scott County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 15.2% 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 13.8% reduction in tax bills. Other real and personal property, mostly commercial and

industrial land, buildings, and equipment, saw a 1.5% and 2.1% increase, respectively, in tax bills in 2010. This was mainly because of the increase in Scott County property tax levies. Commercial and industrial property did not benefit from the tightened tax caps, because Scott County's tax rates were not high enough for this type of property to qualify for tax cap credits.

Agricultural business property saw a 4.3% increase in tax payments in 2010 because of the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



**Tax Cap Credits**

Tax cap credits in Scott County in 2010 amounted to 4.0% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to Scott County having lower-than-average homestead values and a CEDIT-funded homestead credit that kept most homestead tax bills under the 1% cap. Tax rates in 3 of 7 total taxing districts exceeded \$2, so a large amount of housing in the 2% cap category was eligible for credits. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Scott County tax rates were below \$3.

**2010 Circuit Breaker Credits by Cap Category  
Scott County Total \$678,081**

1%	2%	3%	Elderly
\$22,138	\$645,051	\$0	\$10,892
3.3%	95.1%	0.0%	1.6%

Scott County, Scott County District No. 1 and District No. 2 School Corporations saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of Austin lost the most, at 14.6%. Losses were greatest for units that overlapped the municipalities of Austin and Scottsburg, because these tax districts had the highest tax rates.

**The Effects of Recession**

In Scott 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 5.5% in December 2007 to 13.1% in July 2009. Job losses and income declines contributed to a 4.2% drop in local income tax revenue. Because part of this revenue is used for property tax relief, local property tax credit rates declined in Scott County in 2010.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	682,154,200	678,257,700	-0.6%
Other Residential	128,571,900	122,513,800	-4.7%
Ag Business/Land	89,735,400	91,678,600	2.2%
Business Real/Personal	362,824,260	350,981,954	-3.3%
<b>Total</b>	<b>\$1,263,285,760</b>	<b>\$1,243,432,054</b>	<b>-1.6%</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 Scott County, the gross assessed value of business real and personal property fell 3.3% in 2010. Most other assessment categories decreased, and total gross assessed value in Scott County declined by 1.6%. This was lower 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.

**Scott County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	20,751,854	19,566,180	14,916,528	15,070,313	-5.7%	-23.8%	1.0%
State Unit	16,641	19,389	0	0	16.5%	-100.0%	
Scott County	5,025,630	4,516,157	3,978,914	3,799,374	-10.1%	-11.9%	-4.5%
Finley Township	20,600	21,373	22,227	23,017	3.8%	4.0%	3.6%
Jennings Township	126,902	133,069	136,523	140,793	4.9%	2.6%	3.1%
Johnson Township	41,014	42,457	44,174	45,791	3.5%	4.0%	3.7%
Lexington Township	35,480	36,767	38,175	39,631	3.6%	3.8%	3.8%
Vienna Township	87,604	91,074	94,557	97,983	4.0%	3.8%	3.6%
Scottsburg Civil City	1,539,824	1,619,723	1,665,743	1,721,667	5.2%	2.8%	3.4%
Austin Civil Town	447,843	463,584	477,991	494,499	3.5%	3.1%	3.5%
Scott County Dist No. 1 School Corp	3,430,504	2,573,150	2,425,258	2,298,084	-25.0%	-5.7%	-5.2%
Scott County Dist No. 2 School Corp	9,374,912	9,531,561	5,517,981	5,876,002	1.7%	-42.1%	6.5%
Scott County Public Library	393,147	407,181	423,605	439,250	3.6%	4.0%	3.7%
Southeastern Indiana Solid Waste Mgt Dist	85,286	88,061	91,380	94,222	3.3%	3.8%	3.1%
Scottsburg Redevelopment Comm	102,825	0	0	0	-100.0%		
Scott County Redevelopment Comm	16,047	12,766	0	0	-20.4%	-100.0%	
Austin Redevelopment Comm	7,595	9,868	0	0	29.9%	-100.0%	

**Scott 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	
			LOIT PTRC	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
72001	Finley Township	1.7922	--	3.4295%	--	13.0382%	--	--	--	1.4971
72002	Jennings Township	2.3073	--	3.4295%	--	13.0382%	--	--	--	1.9273
72003	Austin Town	2.9809	--	3.4295%	--	13.0382%	--	--	--	2.4900
72004	Johnson Township	1.8300	--	3.4295%	--	13.0382%	--	--	--	1.5286
72005	Lexington Township	1.7939	--	3.4295%	--	13.0382%	--	--	--	1.4985
72007	Vienna Township	1.8012	--	3.4295%	--	13.0382%	--	--	--	1.5046
72008	Scottsburg City	2.5497	--	3.4295%	--	13.0382%	--	--	--	2.1298

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.

### Scott 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>	22,104	611,052	0	10,840	643,996	15,070,313	4.3%
<i>TIF Total</i>	35	33,999	0	51	34,085	1,728,558	2.0%
<i>County Total</i>	22,138	645,051	0	10,892	678,081	16,798,871	4.0%
Scott County	4,815	126,794	0	2,750	134,358	3,799,374	3.5%
Finley Township	7	0	0	23	30	23,017	0.1%
Jennings Township	247	9,195	0	107	9,548	140,793	6.8%
Johnson Township	11	0	0	23	34	45,791	0.1%
Lexington Township	11	0	0	9	20	39,631	0.0%
Vienna Township	102	1,979	0	100	2,180	97,983	2.2%
Scottsburg Civil City	3,558	80,906	0	813	85,277	1,721,667	5.0%
Austin Civil Town	1,745	69,808	0	619	72,171	494,499	14.6%
Scott County Dist No. 1 School Corp	4,951	189,538	0	1,999	196,489	2,298,084	8.6%
Scott County Dist No. 2 School Corp	5,981	115,030	0	4,012	125,022	5,876,002	2.1%
Scott County Public Library	557	14,659	0	318	15,533	439,250	3.5%
Southeastern Indiana Solid Waste Mgt Dist	119	3,144	0	68	3,332	94,222	3.5%
Scottsburg Redevelopment Comm	0	0	0	0	0	0	
Scott County Redevelopment Comm	0	0	0	0	0	0	
Austin Redevelopment Comm	0	0	0	0	0	0	
TIF - Jennings Township	0	0	0	0	0	265,917	0.0%
TIF - Austin Corp	0	1,298	0	0	1,298	243,859	0.5%
TIF - Scottsburg Corp	35	32,702	0	51	32,788	1,218,782	2.7%

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.