

# 2010 Property Tax Report

## Sullivan County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Sullivan 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 Sullivan 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 Sullivan 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	2,893	55.7%	132	2.5%
No Change	531	10.2%	100	1.9%
Lower Tax Bill	1,774	34.1%	4,966	95.5%
<b>Average Change in Tax Bill</b>	<b>-1.0%</b>		<b>-43.5%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	196	3.8%	76	1.5%
10% to 19%	110	2.1%	20	0.4%
1% to 9%	2,587	49.8%	36	0.7%
0%	531	10.2%	100	1.9%
-1% to -9%	1,076	20.7%	54	1.0%
-10% to -19%	289	5.6%	162	3.1%
-20% to -29%	150	2.9%	339	6.5%
-30% to -39%	85	1.6%	903	17.4%
-40% to -49%	44	0.8%	1,389	26.7%
-50% to -59%	28	0.5%	985	18.9%
-60% to -69%	17	0.3%	333	6.4%
-70% to -79%	19	0.4%	135	2.6%
-80% to -89%	8	0.2%	117	2.3%
-90% to -99%	15	0.3%	109	2.1%
-100%	43	0.8%	440	8.5%
<b>Total</b>	<b>5,198</b>	<b>100.0%</b>	<b>5,198</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw a 1.0% tax bill decrease from 2009 to 2010.

95.5% of homeowners saw lower tax bills in 2010 than in 2007.

Homestead taxes in 2010 were still 43.5% lower than they were in 2007, before the property tax reforms.

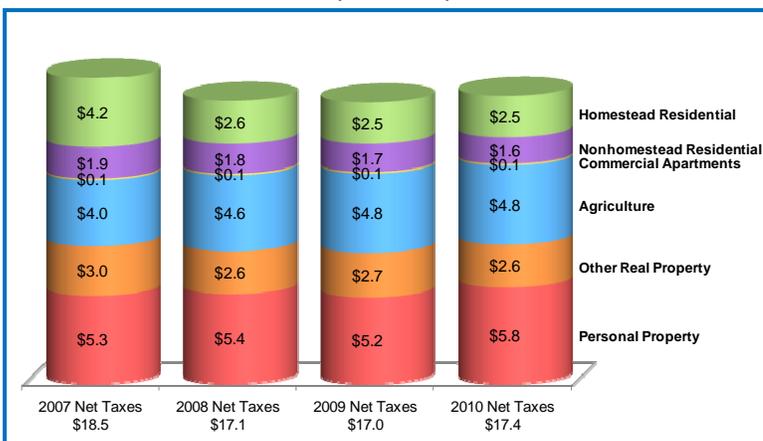
80.7% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 30% and 59% decrease in their tax bills from 2007 to 2010.

### Sullivan County Overview

The decline in homeowner tax bills was just under the state average decline of 2.1%. Property tax levies increased 4.6% in Sullivan County in 2010, more than the state average increase of 2.4%. The largest levy increase was in the Southwest School Corporation's debt service fund. Sullivan County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Sullivan County home values tend to be lower than the state average. These factors were partly offset by increases in commercial and industrial assessed value, which shifted taxes away from homeowners. Sullivan County does not provide local homestead credits.

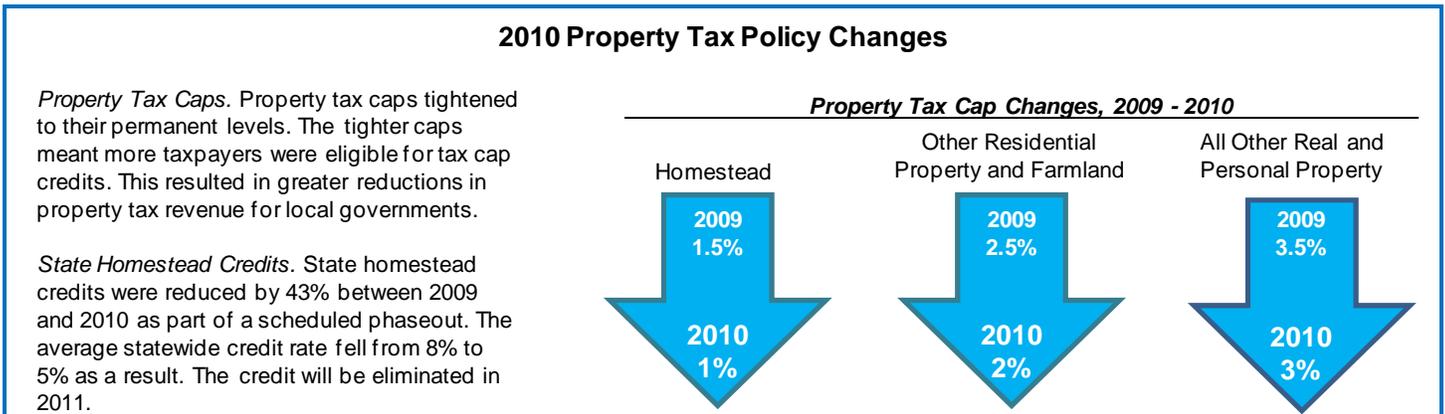
### Comparison of Net Property Tax by Property Type (In Millions)



Net tax bills for all taxpayers increased 1.9% in Sullivan County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 12.8% 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 7.9% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.9% decrease and a 10.5% increase, respectively, in tax bills in 2010. These changes in tax bills were partly due to the increase in property tax levies and changes in assessed value. Business real property assessments grew by 0.5%,

while business personal property assessments grew by 12.8%. The tightening of the tax caps from 3.5% to 3% also contributed to the tax changes for commercial and industrial property.

Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw a 0.5% decrease in tax payments in 2010 due to the tightening of the tax caps from 2.5% to 2% for farmland.



### Tax Cap Credits

Tax cap credits in Sullivan County in 2010 amounted to 3.8% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to Sullivan County having a smaller share of its net assessed value in the 2% cap category. This category includes rental housing, which tends to be in cities and towns where tax rates usually are above \$2 per \$100 assessed value. If the rate exceeds the tax cap, rental housing would be eligible for tax cap credits. Commercial and industrial properties in the 3% tax cap category qualified for credits in some portions of the county because the tax rates in 2 of 16 total taxing districts exceeded \$3. Sullivan County home values were not high enough for a large share of homesteads to qualify for credits in the 1% category.

**2010 Circuit Breaker Credits by Cap Category  
Sullivan County Total \$689,893**

1%	2%	3%	Elderly
\$45,900	\$342,495	\$292,952	\$8,547
6.7%	49.6%	42.5%	1.2%

Sullivan County, Sullivan City, and the Southwest School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, Sullivan City lost the most of all taxing units, at 19.5%. The Stewart Street TIF District lost 22.4% of TIF proceeds to the caps. Losses were greatest for units that overlapped Sullivan City, because its tax district had the highest tax rate.

### The Effects of Recession

In Sullivan County the recession has affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 5.7% in December 2007 to 9.5% in July 2009. Despite job losses, local income tax revenue grew by 4.4%.

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

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	412,399,890	417,087,920	1.1%
Other Residential	57,662,500	57,940,800	0.5%
Ag Business/Land	230,633,200	254,031,100	10.1%
Business Real/Personal	391,242,585	423,627,635	8.3%
<b>Total</b>	<b>\$1,091,938,175</b>	<b>\$1,152,687,455</b>	<b>5.6%</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 Sullivan County, the gross assessed value of business real and personal property increased 8.3% in 2010. Other assessment categories also increased, and total gross assessed value in Sullivan County rose 5.6%. 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.

**Sullivan County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	24,065,691	23,557,942	17,292,955	18,087,999	-2.1%	-26.6%	4.6%
State Unit	18,766	19,811	0	0	5.6%	-100.0%	
Sullivan County	6,188,891	5,261,399	5,355,169	5,528,680	-15.0%	1.8%	3.2%
Cass Township	44,776	49,706	51,242	51,401	11.0%	3.1%	0.3%
Curry Township	193,197	187,942	196,609	201,693	-2.7%	4.6%	2.6%
Fairbanks Township	54,150	55,180	57,057	58,767	1.9%	3.4%	3.0%
Gill Township	121,053	127,283	129,580	134,598	5.1%	1.8%	3.9%
Haddon Township	76,146	76,946	81,803	85,256	1.1%	6.3%	4.2%
Hamilton Township	126,438	130,977	135,384	138,277	3.6%	3.4%	2.1%
Jackson Township	49,250	51,708	54,365	56,178	5.0%	5.1%	3.3%
Jefferson Township	43,339	46,578	48,390	48,815	7.5%	3.9%	0.9%
Turman Township	54,727	56,168	58,615	60,492	2.6%	4.4%	3.2%
Sullivan Civil City	1,029,437	1,075,929	1,076,434	1,103,927	4.5%	0.0%	2.6%
Carlisle Civil Town	90,510	79,514	93,615	97,102	-12.1%	17.7%	3.7%
Dugger Civil Town	93,068	96,929	71,049	84,093	4.1%	-26.7%	18.4%
Farmersburg Civil Town	55,336	57,649	59,287	60,483	4.2%	2.8%	2.0%
Hymera Civil Town	53,845	56,540	52,992	58,167	5.0%	-6.3%	9.8%
Merom Civil Town	18,803	16,749	16,514	18,692	-10.9%	-1.4%	13.2%
Shelburn Civil Town	74,445	80,801	73,632	71,301	8.5%	-8.9%	-3.2%
Northeast School Corp	4,373,367	4,705,358	2,761,347	2,701,336	7.6%	-41.3%	-2.2%
Southwest School Corp	10,438,217	10,420,910	5,964,604	6,540,142	-0.2%	-42.8%	9.6%
Sullivan County Public Library	867,930	903,865	955,267	988,599	4.1%	5.7%	3.5%
Sullivan County Solid Waste Mgt Dist	0	0	0	0			

**Sullivan 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	CEDIT Residential	LOIT Homestead	LOIT Residential	
77001	Cass Township	1.9927	--	5.0561%	--	--	--	--	--	1.8919
77002	Dugger Town	2.7219	--	5.0561%	--	--	--	--	--	2.5843
77003	Curry Township	2.1038	--	5.0561%	--	--	--	--	--	1.9974
77004	Farmersburg Town	2.4567	--	5.0561%	--	--	--	--	--	2.3325
77005	Shelburn Town	2.5100	--	5.0561%	--	--	--	--	--	2.3831
77006	Fairbanks Township	1.9599	--	5.0561%	--	--	--	--	--	1.8608
77007	Gill Township	2.0432	--	5.0561%	--	--	--	--	--	1.9399
77008	Merom Town	2.8614	--	5.0561%	--	--	--	--	--	2.7167
77009	Haddon Township	2.0569	--	5.0561%	--	--	--	--	--	1.9529
77010	Carlisle Town	3.0650	--	5.0561%	--	--	--	--	--	2.9100
77011	Hamilton Township	2.0815	--	5.0561%	--	--	--	--	--	1.9763
77012	Sullivan City	3.6700	--	5.0561%	--	--	--	--	--	3.4844
77013	Jackson Township	1.9894	--	5.0561%	--	--	--	--	--	1.8888
77014	Hymera Town	2.9739	--	5.0561%	--	--	--	--	--	2.8235
77015	Jefferson Township	2.0399	--	5.0561%	--	--	--	--	--	1.9368
77016	Turman Township	2.1031	--	5.0561%	--	--	--	--	--	1.9968

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.

### Sullivan 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>	45,900	342,474	288,838	8,547	685,759	18,087,999	3.8%
<i>TIF Total</i>	0	21	4,113	0	4,134	19,496	21.2%
<i>County Total</i>	45,900	342,495	292,952	8,547	689,893	18,107,495	3.8%
Sullivan County	8,951	85,124	53,689	2,328	150,092	5,528,680	2.7%
Cass Township	30	309	0	37	376	51,401	0.7%
Curry Township	83	4,123	0	87	4,294	201,693	2.1%
Fairbanks Township	5	0	0	33	37	58,767	0.1%
Gill Township	1	497	0	6	504	134,598	0.4%
Haddon Township	4	1,161	44	14	1,224	85,256	1.4%
Hamilton Township	481	2,700	2,738	69	5,988	138,277	4.3%
Jackson Township	5	422	0	69	497	56,178	0.9%
Jefferson Township	0	453	0	10	463	48,815	0.9%
Turman Township	3	1,748	0	18	1,768	60,492	2.9%
Sullivan Civil City	19,035	66,660	128,752	790	215,238	1,103,927	19.5%
Carlisle Civil Town	98	6,656	1,153	295	8,202	97,102	8.4%
Dugger Civil Town	114	3,176	0	52	3,342	84,093	4.0%
Farmersburg Civil Town	0	1,447	0	70	1,517	60,483	2.5%
Hymera Civil Town	59	4,573	0	223	4,855	58,167	8.3%
Merom Civil Town	0	2,357	0	0	2,357	18,692	12.6%
Shelburn Civil Town	45	2,412	0	236	2,693	71,301	3.8%
Northeast School Corp	806	31,968	0	1,973	34,747	2,701,336	1.3%
Southwest School Corp	14,580	111,465	92,863	1,819	220,727	6,540,142	3.4%
Sullivan County Public Library	1,601	15,221	9,600	416	26,838	988,599	2.7%
Sullivan County Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Shelburn TIF Area	0	0	0	0	0	0	
TIF - Three Hundred North TIF	0	6	0	0	6	1,061	0.6%
TIF - Stewart Street TIF Area	0	15	4,113	0	4,128	18,435	22.4%

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.