

# 2009 TIPPECANOE COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

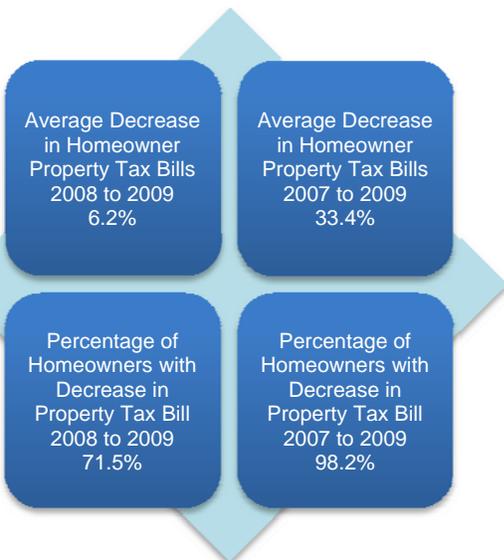


Legislative Services Agency

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 Tippecanoe 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	1,133	3.7%	298	1.0%
10% to 19%	3,009	9.8%	68	0.2%
1% to 9%	4,534	14.8%	165	0.5%
0%	36	0.1%	34	0.1%
-1% to -9%	6,385	20.9%	504	1.6%
-10% to -19%	9,838	32.2%	3,181	10.4%
-20% to -29%	3,380	11.1%	5,533	18.1%
-30% to -39%	993	3.2%	9,668	31.6%
-40% to -49%	466	1.5%	8,603	28.1%
-50% to -59%	252	0.8%	1,450	4.7%
-60% to -69%	181	0.6%	440	1.4%
-70% to -79%	96	0.3%	266	0.9%
-80% to -89%	71	0.2%	135	0.4%
-90% to -99%	49	0.2%	81	0.3%
-100%	150	0.5%	147	0.5%
<b>Total</b>	<b>30,573</b>	<b>100.0%</b>	<b>30,573</b>	<b>100.0%</b>
Higher Tax Bill	8,676	28.4%	531	1.7%
No Change	36	0.1%	34	0.1%
Lower Tax Bill	21,861	71.5%	30,008	98.2%
Average Change in Tax Bill	-6.2%		-33.4%	

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	Tippecanoe County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-14.0%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-32.1%	-30.6%
State PTRC Percentage, 2008	21.6%	20.1%
Total State Homestead Credit, 2008	37.6%	39.5%
Total State Homestead Credit, 2009	6.9%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	No	

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. Homeowner tax bills in Tippecanoe County decreased by 6.2%. The elimination of the property tax levies, and the added 35% supplemental homestead deduction, were almost offset by the elimination of the property tax replacement credits and the state homestead credits. Tippecanoe County did not adopt a local option income tax for property tax relief, and few Tippecanoe County homeowners were eligible for the circuit breaker tax cap

credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Tippecanoe County, as they were in almost all Indiana counties.

## 2009 Property Tax Changes:

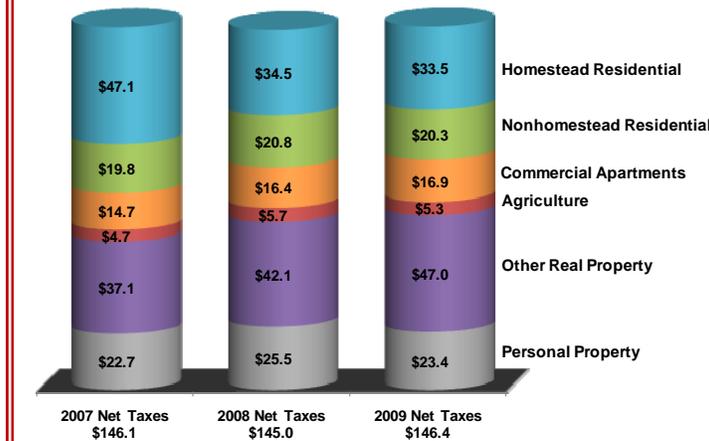
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

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



In Tippecanoe County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 2.2% decline in average property tax bills. Average tax bills on commercial apartments increased 3.2%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 7.1% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 11.5%. Personal property, which is largely business equipment, saw an 8.1% 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 Tippecanoe County \$6,605

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



**Tippecanoe 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
<b>County Total</b>	<b>\$184,329,096</b>	<b>\$194,995,158</b>	<b>\$132,242,648</b>	<b>5.8%</b>	<b>-32.2%</b>	<b>4.8%</b>
State Unit	175,510	185,007	0	5.4%	-100.0%	
Tippecanoe County	32,418,133	33,085,339	23,878,649	2.1%	-27.8%	2.5%
Fairfield Township	308,875	324,898	273,460	5.2%	-15.8%	-15.8%
Jackson Township	38,448	40,040	41,742	4.1%	4.3%	4.3%
Lauramie Township	92,905	96,408	96,860	3.8%	0.5%	0.5%
Perry Township	142,103	146,328	130,249	3.0%	-11.0%	-11.0%
Randolph Township	65,459	70,233	90,290	7.3%	28.6%	28.6%
Sheffield Township	86,554	82,894	80,769	-4.2%	-2.6%	-2.6%
Shelby Township	50,779	52,183	50,162	2.8%	-3.9%	-3.9%
Tippecanoe Township	236,701	250,232	228,591	5.7%	-8.6%	-8.6%
Union Township	30,686	32,688	34,135	6.5%	4.4%	4.4%
Wabash Township	451,091	469,625	464,433	4.1%	-1.1%	-1.1%
Washington Township	133,785	179,039	175,353	33.8%	-2.1%	-2.1%
Wayne Township	91,886	82,445	79,200	-10.3%	-3.9%	-3.9%
Wea Township	374,436	393,540	360,569	5.1%	-8.4%	-8.4%
Lafayette Civil City	26,304,230	26,071,170	25,116,610	-0.9%	-3.7%	3.6%
West Lafayette Civil City	7,611,885	7,991,063	7,690,112	5.0%	-3.8%	3.4%
Otterbein Civil Town	78,220	82,978	87,235	6.1%	5.1%	5.1%
Battle Ground Civil Town	201,969	208,788	213,280	3.4%	2.2%	2.2%
Clarks Hill Civil Town	61,261	62,632	65,520	2.2%	4.6%	4.6%
Dayton Civil Town	162,031	175,912	180,571	8.6%	2.6%	2.6%
Shadeland Civil Town	377,842	394,657	369,425	4.5%	-6.4%	-6.4%
Benton Community School Corporation	2,194,496	2,090,412	1,203,343	-4.7%	-42.4%	4.6%
Lafayette School Corporation	32,610,640	35,863,597	24,110,509	10.0%	-32.8%	26.6%
Tippecanoe School Corporation	56,543,106	61,991,084	32,290,453	9.6%	-47.9%	-0.9%
West Lafayette Community School Corporation	14,879,265	15,849,192	6,998,668	6.5%	-55.8%	8.5%
Otterbein Public Library	28,595	14,929	18,578	-47.8%	24.4%	24.4%
West Lafayette Public Library	1,816,402	1,484,507	1,450,358	-18.3%	-2.3%	-2.3%
Tippecanoe County Public Library	3,588,604	3,845,438	3,808,327	7.2%	-1.0%	-1.0%
Greater Lafayette Public Transportation	1,857,415	1,942,985	2,020,602	4.6%	4.0%	4.0%
Wildcat Creek Solid Waste Mgt. District	190,136	192,715	199,099	1.4%	3.3%	3.3%
Lafayette Redevelopment Commission	1,125,648	1,242,200	435,496	10.4%	-64.9%	-64.9%
Tippecanoe County Redevelopment	0	0	0	0.0%	0.0%	0.0%
West Lafayette Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Shadeland Town Redevelopment Commission	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.

## Tippecanoe 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 Rate-Real	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	2008	2008	2009	2008	2009
	Fairfield Twp-LSC-B	148.6	131.2	-11.7%	3,066,766	2,164,489	-29.4%	2.0632	1.6495	21.96%	35.07%	6.85%	8.82%
Fairfield Twp-TSC	21.9	16.7	-24.0%	444,522	231,975	-47.8%	2.0293	1.3927	23.00%	35.73%	6.85%	8.01%	10.70%
Fairfield Twp-TSC-B	165.0	122.8	-25.6%	3,403,501	1,758,601	-48.3%	2.0630	1.4325	22.66%	35.49%	6.85%	7.97%	10.68%
Lafayette-Fairfield Twp-LSC-B	2072.8	1834.9	-11.5%	58,714,365	44,949,353	-23.4%	2.8326	2.4497	20.16%	40.23%	6.85%	10.52%	13.42%
Lafayette-Fairfield Twp-TSC-B	299.9	305.9	2.0%	8,495,696	6,829,628	-19.6%	2.8324	2.2327	20.67%	40.56%	6.85%	9.97%	13.14%
Jackson Twp-TSC	57.3	54.1	-5.6%	1,170,316	764,028	-34.7%	2.0427	1.4132	22.94%	35.83%	6.85%	8.01%	10.69%
Lauramie Twp	132.5	112.8	-14.9%	2,708,177	1,602,196	-40.8%	2.0441	1.4205	22.87%	35.68%	6.85%	7.98%	10.67%
Clarks Hill Town	12.7	10.8	-14.8%	316,809	215,299	-32.0%	2.4969	1.9925	21.66%	39.44%	6.85%	8.28%	10.86%
Perry Township-TSC	270.8	215.0	-20.6%	5,457,325	2,979,042	-45.4%	2.0149	1.3858	22.89%	35.17%	6.85%	8.01%	10.86%
Perry Township-TSC-B	73.5	48.0	-34.7%	1,505,545	684,616	-54.5%	2.0486	1.4256	22.55%	34.94%	6.85%	7.97%	10.84%
Randolph Township-TSC	62.2	55.2	-11.3%	1,298,042	827,885	-36.2%	2.0856	1.5002	22.69%	35.99%	6.85%	8.05%	10.74%
Sheffield Township-TSC	137.4	114.6	-16.6%	2,777,410	1,596,149	-42.5%	2.0219	1.3929	22.83%	35.16%	6.85%	7.89%	10.49%
Dayton Town-TSC	44.7	38.6	-13.7%	1,061,272	701,368	-33.9%	2.3736	1.8174	21.24%	36.77%	6.85%	8.90%	13.06%
Shelby Township-BSC	116.1	104.3	-10.1%	2,519,953	1,604,853	-36.3%	2.1709	1.5386	24.78%	38.72%	6.85%	15.79%	10.12%
Shelby Township-TSC	28.1	21.0	-25.3%	564,370	288,767	-48.8%	2.0074	1.3750	22.96%	35.22%	6.85%	7.92%	10.56%
Otterbein Town-BSC	11.5	10.2	-11.8%	338,242	257,848	-23.8%	2.9366	2.5389	22.37%	42.86%	6.85%	13.22%	15.38%
Tippecanoe Township-TSC	238.2	198.7	-16.6%	4,866,879	2,814,462	-42.2%	2.0429	1.4167	22.55%	34.82%	6.85%	7.87%	10.54%
Tippecanoe Township-TSC-B	58.7	45.7	-22.1%	1,218,004	665,240	-45.4%	2.0766	1.4565	22.22%	34.60%	6.85%	7.83%	10.53%
Battle Ground Town-TSC	55.5	40.6	-26.8%	1,343,705	795,478	-40.8%	2.4201	1.9577	21.10%	37.02%	6.85%	7.96%	10.55%
Shadeland Town-TSC	73.5	59.6	-19.0%	1,567,549	882,276	-43.7%	2.1323	1.4815	22.49%	36.27%	6.85%	8.19%	10.89%
Shadeland-TSC-B	194.4	217.7	12.0%	4,210,722	3,311,718	-21.4%	2.1660	1.5213	22.17%	36.03%	6.85%	8.16%	10.87%
Wabash Township-TSC	307.9	231.1	-25.0%	6,245,662	3,239,907	-48.1%	2.0283	1.4020	22.72%	34.99%	6.85%	7.86%	10.42%
Wabash Township-TSC-B	482.7	432.3	-10.4%	9,952,502	6,232,391	-37.4%	2.0620	1.4418	22.39%	34.77%	6.85%	7.83%	10.42%
Wabash Township-WLCS-B	5.3	4.2	-19.4%	115,898	58,513	-49.5%	2.1999	1.3778	27.06%	35.37%	6.85%	6.75%	8.45%
West Lafayette City-TSC-B	27.5	27.5	0.1%	782,895	641,220	-18.1%	2.8520	2.3344	19.63%	38.04%	6.85%	7.98%	10.58%
West Lafayette City-WLSC-B	822.3	726.2	-11.7%	24,586,143	16,487,927	-32.9%	2.9899	2.2704	23.19%	38.46%	6.85%	7.23%	9.40%
Washington Township-TSC	120.9	94.8	-21.6%	2,567,705	1,447,119	-43.6%	2.1232	1.5259	21.82%	34.39%	6.85%	8.71%	12.15%
Wayne Township	91.4	74.8	-18.2%	1,886,699	1,079,694	-42.8%	2.0637	1.4442	22.55%	35.23%	6.85%	7.95%	10.58%
Wea Township-TSC	188.4	142.7	-24.2%	3,849,386	2,028,156	-47.3%	2.0428	1.4208	22.78%	35.43%	6.85%	8.02%	10.71%
Wea Township-TSC-B	231.2	163.5	-29.3%	4,800,938	2,388,360	-50.3%	2.0765	1.4606	22.45%	35.19%	6.85%	7.98%	10.69%
Lafayette City-Wea Township-LSC	246.3	195.8	-20.5%	6,993,944	4,815,435	-31.1%	2.8399	2.4595	20.17%	40.32%	6.85%	10.52%	13.43%
Lafayette City-Wea Township-TSC	525.6	471.9	-10.2%	14,925,963	10,582,417	-29.1%	2.8397	2.2425	20.67%	40.65%	6.85%	9.97%	13.15%
West Lafayette City-TSC-B-C	106.9	86.2	-19.4%	2,916,642	1,896,787	-35.0%	2.7292	2.2008	20.42%	38.87%	6.85%	8.22%	10.95%
West Lafayette-WLSC-B-C	171.6	121.8	-29.0%	4,919,121	2,601,640	-47.1%	2.8671	2.1368	24.10%	39.31%	6.85%	7.45%	9.72%
Lafayette Sheffield TSCB	208.7	184.4	-11.7%	5,428,246	4,094,250	-24.6%	2.6011	2.2208	20.74%	40.37%	6.85%	6.71%	8.22%
Laf Wea TSC-B Annex	21.4	21.0	-1.8%	558,348	468,679	-16.1%	2.6081	2.2291	20.74%	40.43%	6.85%	8.03%	13.12%
Lafayette Perry-TSC	1.7	2.1	21.1%	47,519	46,219	-2.7%	2.7607	2.2176	20.95%	40.67%	6.85%	6.78%	3.64%
West Lafayette Tippecanoe TSC	12.3	13.8	12.8%	335,273	305,315	-8.9%	2.7352	2.2073	20.40%	38.86%	6.85%	7.04%	11.21%
<b>County Totals/Averages</b>	<b>7,847.5</b>	<b>6,752.2</b>	<b>-14.0%</b>	<b>197,962,056</b>	<b>134,339,300</b>	<b>-32.1%</b>	<b>2.5296</b>	<b>1.9926</b>	<b>21.65%</b>	<b>37.58%</b>	<b>6.85%</b>	<b>8.80%</b>	<b>11.42%</b>

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.

**Tippecanoe County 2009 Circuit Breaker Cap Credits**

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type					Total
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly		
Tippecanoe County	23,878,649	295	189	0	545	1,030	
Fairfield Township	273,460	2	0	0	6	8	
Jackson Township	41,742	0	0	0	0	0	
Lauramie Township	96,860	0	0	0	6	6	
Perry Township	130,249	0	0	0	0	0	
Randolph Township	90,290	0	0	0	0	0	
Sheffield Township	80,769	0	0	0	0	0	
Shelby Township	50,162	0	4	0	0	4	
Tippecanoe Township	228,591	0	0	0	0	0	
Union Township	34,135	0	0	0	0	0	
Wabash Township	464,433	1	0	0	1	2	
Washington Township	175,353	0	0	0	0	0	
Wayne Township	79,200	0	0	0	0	0	
Wea Township	360,569	0	0	0	4	4	
Lafayette Civil City	25,116,610	263	0	0	958	1,221	
West Lafayette Civil City	7,690,112	414	0	0	185	600	
Otterbein Civil Town	87,235	0	475	0	0	475	
Battle Ground Civil Town	213,280	0	0	0	0	0	
Clarks Hill Civil Town	65,520	0	0	0	52	52	
Dayton Civil Town	180,571	0	0	0	0	0	
Shadeland Civil Town	369,425	0	0	0	0	0	
Benton Community School Corporation	1,203,343	0	562	0	0	562	
Lafayette School Corporation	24,110,509	317	0	0	1,133	1,449	
Tippecanoe School Corporation	32,290,453	0	0	0	153	153	
West Lafayette Community School Corporat	6,998,668	432	0	0	193	624	
Otterbein Public Library	18,578	0	101	0	0	101	
West Lafayette Public Library	1,450,358	27	0	0	45	72	
Tippecanoe County Public Library	3,808,327	44	0	0	83	127	
Greater Lafayette Public Transportation	2,020,602	33	0	0	55	88	
Wildcat Creek Solid Waste Management Dis	199,099	2	2	0	5	9	
Lafayette Redevelopment Commission	435,496	4	0	0	15	19	
Tippecanoe County Redevelopment	0	0	0	0	0	0	
West Lafayette Redevelopment Commission	0	0	0	0	0	0	
Shadeland Town Redevelopment Commission	0	0	0	0	0	0	
<b>Total - All Taxing Units</b>	<b>132,242,648</b>	<b>1,835</b>	<b>1,332</b>	<b>0</b>	<b>3,438</b>	<b>6,605</b>	

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.

Numbers may not total due to rounding.