

2010 Property Tax Report

Tippecanoe County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Tippecanoe 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 Tippecanoe 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 Tippecanoe 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	18,531	61.0%	501	1.6%
No Change	187	0.6%	34	0.1%
Lower Tax Bill	11,681	38.4%	29,864	98.2%
Average Change in Tax Bill	1.9%		-32.2%	
Detailed Change in Tax Bill				
20% or More	2,219	7.3%	280	0.9%
10% to 19%	5,142	16.9%	75	0.2%
1% to 9%	11,170	36.7%	146	0.5%
0%	187	0.6%	34	0.1%
-1% to -9%	6,581	21.6%	510	1.7%
-10% to -19%	2,813	9.3%	2,534	8.3%
-20% to -29%	1,069	3.5%	7,413	24.4%
-30% to -39%	621	2.0%	10,166	33.4%
-40% to -49%	257	0.8%	5,856	19.3%
-50% to -59%	96	0.3%	2,077	6.8%
-60% to -69%	76	0.3%	519	1.7%
-70% to -79%	36	0.1%	290	1.0%
-80% to -89%	26	0.1%	163	0.5%
-90% to -99%	15	0.0%	105	0.3%
-100%	91	0.3%	231	0.8%
Total	30,399	100.0%	30,399	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 1.9% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 32.2% lower than they were in 2007, before the property tax reforms.

98.2% of homeowners saw lower tax bills in 2010 than in 2007.

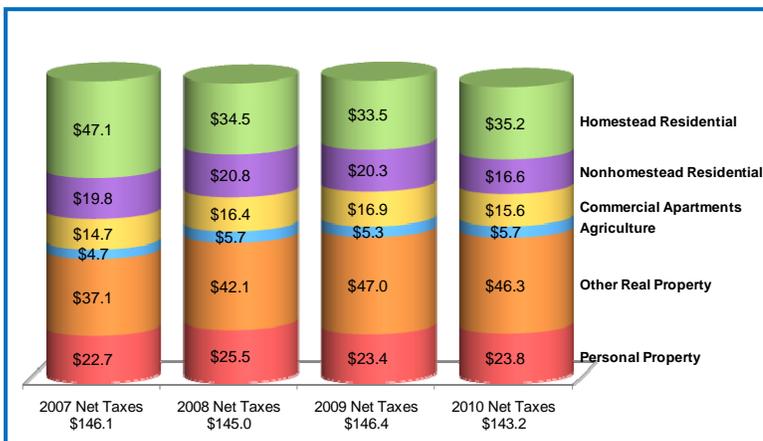
58.9% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

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

Tippecanoe County Overview

The slightly larger-than-average increase in homeowner tax bills had several causes. The assessed value of commercial and industrial property fell in Tippecanoe in 2010, resulting in a tax shift to homeowners. Tippecanoe County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Tippecanoe County tax rates tend to be lower than the state average. Property tax levies increased 1% in Tippecanoe County in 2010, less than the state average increase of 2.4%. Levies increased for the county general fund, Lafayette City general and road maintenance funds, and Tippecanoe School Corporation and West Lafayette School Corporation debt service funds. These increases were partly offset by a levy decreases in the Lafayette School Corporation's school referendum and debt service funds. Tippecanoe County provides two LOIT-funded homestead credits.

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



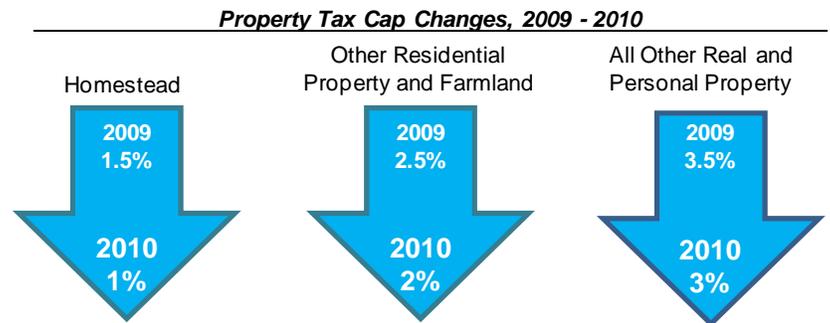
Net tax bills for all taxpayers decreased 2.2% in Tippecanoe County from 2009 to 2010. This was greater than the statewide reduction of 1.4%. In 2010 apartment owners saw an 8.1% decrease in tax bills. This large decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw an 18.2% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 1.5%

decrease and 1.6% increase, respectively, in tax bills in 2010. This was mainly because of a decline in assessed value coupled with increased tax rates. Commercial and industrial property did not benefit from the tightened tax caps, because Tippecanoe County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 7.9% 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, and higher tax rates.

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 Tippecanoe County in 2010 amounted to 2.8% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to lower-than-average tax rates in Tippecanoe County. Tax rates in 16 of 38 total taxing districts exceeded \$2, and Tippecanoe County has a large share of its net assessed value in the 2% cap category, 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 Tippecanoe County tax rates were under \$3. Tippecanoe County tax rates 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
Tippecanoe County Total \$4,332,109**

1%	2%	3%	Elderly
\$299,992	\$4,023,126	\$0	\$8,991
6.9%	92.9%	0.0%	0.2%

Tippecanoe County, Lafayette City, and the Lafayette School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of their total levies, West Lafayette City and the West Lafayette Public Library district lost the most, at 6.0% and 6.4%, respectively. Losses were greatest for units that overlapped the cities of Lafayette and West Lafayette, because their tax district rates were among the highest.

The Effects of Recession

In Tippecanoe 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 3.7% in December 2007 to 10.6% in July 2009. Despite job losses, local income tax revenue grew by 0.2%.

Tippecanoe County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	5,268,780,650	5,169,554,700	-1.9%
Other Residential	1,574,087,880	1,572,889,900	-0.1%
Ag Business/Land	355,673,600	365,232,500	2.7%
Business Real/Personal	4,201,405,150	4,129,167,290	-1.7%
Total	\$11,399,947,280	\$11,236,844,390	-1.4%

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 Tippecanoe County, the gross assessed value of business real and personal property fell 1.7% in 2010. Most other assessment categories slightly decreased, and total gross assessed value in Tippecanoe County decreased 1.4%. 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.

Tippecanoe County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	%Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	184,329,096	194,995,158	132,242,648	133,511,829	5.8%	-32.2%	1.0%
State Unit	175,510	185,007	0	0	5.4%	-100.0%	
Tippecanoe County	32,418,133	33,085,339	23,878,649	24,721,511	2.1%	-27.8%	3.5%
Fairfield Township	308,875	324,898	273,460	499,826	5.2%	-15.8%	82.8%
Jackson Township	38,448	40,040	41,742	43,325	4.1%	4.3%	3.8%
Lauramie Township	92,905	96,408	96,860	98,963	3.8%	0.5%	2.2%
Perry Township	142,103	146,328	130,249	10,596	3.0%	-11.0%	-91.9%
Randolph Township	65,459	70,233	90,290	90,579	7.3%	28.6%	0.3%
Sheffield Township	86,554	82,894	80,769	24,645	-4.2%	-2.6%	-69.5%
Shelby Township	50,779	52,183	50,162	50,647	2.8%	-3.9%	1.0%
Tippecanoe Township	236,701	250,232	228,591	560,050	5.7%	-8.6%	145.0%
Union Township	30,686	32,688	34,135	35,951	6.5%	4.4%	5.3%
Wabash Township	451,091	469,625	464,433	491,219	4.1%	-1.1%	5.8%
Washington Township	133,785	179,039	175,353	72,551	33.8%	-2.1%	-58.6%
Wayne Township	91,886	82,445	79,200	80,981	-10.3%	-3.9%	2.2%
Wea Township	374,436	393,540	360,569	378,816	5.1%	-8.4%	5.1%
Lafayette Civil City	26,304,230	26,071,170	25,116,610	26,192,192	-0.9%	-3.7%	4.3%
West Lafayette Civil City	7,611,885	7,991,063	7,690,112	7,910,276	5.0%	-3.8%	2.9%
Otterbein Civil Town	78,220	82,978	87,235	93,567	6.1%	5.1%	7.3%
Battle Ground Civil Town	201,969	208,788	213,280	220,191	3.4%	2.2%	3.2%
Clarks Hill Civil Town	61,261	62,632	65,520	64,779	2.2%	4.6%	-1.1%
Dayton Civil Town	162,031	175,912	180,571	185,221	8.6%	2.6%	2.6%
Shadeland Civil Town	377,842	394,657	369,425	326,735	4.5%	-6.4%	-11.6%
Benton Community School Corp	2,194,496	2,090,412	1,203,343	1,136,565	-4.7%	-42.4%	-5.5%
Lafayette School Corp	32,610,640	35,863,597	24,110,509	20,477,827	10.0%	-32.8%	-15.1%
Tippecanoe School Corp	56,543,106	61,991,084	32,290,453	34,511,918	9.6%	-47.9%	6.9%
West Lafayette Community School Corp	14,879,265	15,849,192	6,998,668	7,506,333	6.5%	-55.8%	7.3%
Otterbein Public Library	28,595	14,929	18,578	19,610	-47.8%	24.4%	5.6%
West Lafayette Public Library	1,816,402	1,484,507	1,450,358	1,454,296	-18.3%	-2.3%	0.3%
Tippecanoe County Public Library	3,588,604	3,845,438	3,808,327	3,945,479	7.2%	-1.0%	3.6%
Greater Lafayette Public Transportation	1,857,415	1,942,985	2,020,602	2,099,054	4.6%	4.0%	3.9%
Wildcat Creek Solid Waste Mgt Dist	190,136	192,715	199,099	208,126	1.4%	3.3%	4.5%
Lafayette Redevelopment Comm	1,125,648	1,242,200	435,496	0	10.4%	-64.9%	-100.0%
Tippecanoe County Redevelopment	0	0	0	0			
West Lafayette Redevelopment Comm	0	0	0	0			
Shadeland Town Redevelopment Comm	0	0	0	0			

Tippecanoe 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	
79001	Fairfield Twp-LSC-B	1.5527	--	3.9017%	3.1909%	9.1083%	--	--	--	1.3011
79002	Fairfield Twp-TSC	1.5158	--	3.9017%	3.1680%	7.7454%	--	--	--	1.2912
79003	Fairfield Twp-TSC-B	1.5581	--	3.9017%	3.1447%	7.7671%	--	--	--	1.3273
79004	Lafayette-Fairfield Twp-LSC-B	2.3952	--	3.9017%	4.7102%	9.0168%	--	--	--	1.9730
79005	Lafayette-Fairfield Twp-TSC-B	2.4006	--	3.9017%	4.6767%	8.1609%	--	--	--	1.9988
79006	Jackson Twp-TSC	1.5267	--	3.9017%	3.1963%	7.6526%	--	--	--	1.3015
79007	Lauramie Twp	1.5385	--	3.9017%	3.1918%	7.6387%	--	--	--	1.3118
79008	Clarks Hill Town	2.3429	--	3.9017%	4.8412%	6.1180%	--	--	--	1.9947
79009	Perry Township-TSC	1.5111	--	3.9017%	2.8500%	7.8352%	--	--	--	1.2907
79010	Perry Township-TSC-B	1.5534	--	3.9017%	2.8350%	7.8546%	--	--	--	1.3267
79011	Randolph Township-TSC	1.6146	--	3.9017%	3.2280%	7.6700%	--	--	--	1.3756
79012	Sheffield Township-TSC	1.5140	--	3.9017%	2.8476%	7.8146%	--	--	--	1.2935
79013	Dayton Town-TSC	2.0343	--	3.9017%	3.8289%	10.1939%	--	--	--	1.6697
79014	Shelby Township-BSC	1.5043	--	3.9017%	3.5768%	6.6275%	--	--	--	1.2921
79015	Shelby Township-TSC	1.4858	--	3.9017%	3.0044%	7.7269%	--	--	--	1.2684
79016	Otterbein Town-BSC	2.6164	--	3.9017%	5.1548%	10.8992%	--	--	--	2.0943
79017	Tippecanoe Township-TSC	1.5499	--	3.9017%	2.4656%	7.7250%	--	--	--	1.3315
79018	Tippecanoe Township-TSC-B	1.5922	--	3.9017%	2.4613%	7.7469%	--	--	--	1.3675
79019	Battle Ground Town-TSC	2.1115	--	3.9017%	3.8107%	6.5395%	--	--	--	1.8106
79020	Shadeland Town-TSC	1.5823	--	3.9017%	3.2541%	7.7607%	--	--	--	1.3463
79021	Shadeland-TSC-B	1.6246	--	3.9017%	3.2292%	7.7812%	--	--	--	1.3823
79022	Wabash Township-TSC	1.5168	--	3.9017%	2.9154%	7.6559%	--	--	--	1.2973
79023	Wabash Township-TSC-B	1.5591	--	3.9017%	2.8987%	7.6801%	--	--	--	1.3333
79024	Wabash Township-WLSC-B	1.4492	--	3.9017%	2.5348%	5.8233%	--	--	--	1.2715
79025	West Lafayette City-TSC-B	2.4426	--	3.9017%	4.1641%	6.6832%	--	--	--	2.0823
79026	West Lafayette City-WLSC-B	2.3327	--	3.9017%	3.9969%	5.4990%	--	--	--	2.0202
79027	Washington Township-TSC	1.5857	--	3.9017%	2.7683%	7.7092%	--	--	--	1.3577
79028	Wayne Township	1.5558	--	3.9017%	3.0854%	7.6507%	--	--	--	1.3281
79030	Wea Township-TSC	1.5441	--	3.9017%	3.1418%	7.7823%	--	--	--	1.3152
79031	Wea Township-TSC-B	1.5864	--	3.9017%	3.1194%	7.8027%	--	--	--	1.3512
79032	Lafayette City-Wea Township-LSC	2.3969	--	3.9017%	4.7250%	8.9929%	--	--	--	1.9746
79033	Lafayette City-Wea Township-TSC	2.4023	--	3.9017%	4.6915%	8.1377%	--	--	--	2.0004
79034	West Lafayette City-TSC-B-C	2.3178	--	3.9017%	4.3245%	6.8867%	--	--	--	1.9675
79035	West Lafayette-WLSC-B-C	2.2079	--	3.9017%	4.1560%	5.6484%	--	--	--	1.9053
79036	Lafayette Sheffield TSC-B	2.3921	--	3.9017%	4.6720%	3.4538%	--	--	--	2.1044
79037	Lafayette Wea TSC-B Annex	2.4023	--	3.9017%	4.6915%	8.6134%	--	--	--	1.9889
79038	Lafayette Perry-TSC	2.3892	--	3.9017%	4.6725%	3.4538%	--	--	--	2.1018
79039	West Lafayette Tippecanoe TSC	2.3248	--	3.9017%	4.1144%	7.1256%	--	--	--	1.9728

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.

Tippecanoe 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>	296,029	3,467,041	0	8,992	3,772,061	133,511,829	2.8%
<i>TIF Total</i>	3,963	556,085	0	0	560,048	18,598,371	3.0%
<i>County Total</i>	299,992	4,023,126	0	8,992	4,332,109	152,110,200	2.8%
Tippecanoe County	48,316	554,807	0	1,696	604,819	24,721,511	2.4%
Fairfield Township	393	11,157	0	23	11,574	499,826	2.3%
Jackson Township	0	0	0	0	0	43,325	0.0%
Lauramie Township	0	76	0	1	77	98,963	0.1%
Perry Township	2	0	0	2	3	10,596	0.0%
Randolph Township	0	0	0	3	3	90,579	0.0%
Sheffield Township	0	11	0	3	14	24,645	0.1%
Shelby Township	0	36	0	0	36	50,647	0.1%
Tippecanoe Township	29	152	0	81	263	560,050	0.0%
Union Township	0	0	0	3	3	35,951	0.0%
Wabash Township	261	1,334	0	23	1,618	491,219	0.3%
Washington Township	0	0	0	13	13	72,551	0.0%
Wayne Township	0	0	0	0	0	80,981	0.0%
Wea Township	174	4,450	0	26	4,650	378,816	1.2%
Lafayette Civil City	29,691	867,373	0	1,464	898,528	26,192,192	3.4%
West Lafayette Civil City	76,551	395,123	0	692	472,366	7,910,276	6.0%
Otterbein Civil Town	0	5,006	0	5	5,011	93,567	5.4%
Battle Ground Civil Town	72	1,543	0	4	1,619	220,191	0.7%
Clarks Hill Civil Town	0	2,817	0	0	2,817	64,779	4.3%
Dayton Civil Town	0	861	0	27	889	185,221	0.5%
Shadeland Civil Town	0	0	0	25	25	326,735	0.0%
Benton Community School Corp	0	5,044	0	5	5,049	1,136,565	0.4%
Lafayette School Corp	28,066	780,179	0	1,284	809,529	20,477,827	4.0%
Tippecanoe School Corp	16,755	257,373	0	2,316	276,443	34,511,918	0.8%
West Lafayette Community School Corp	72,848	361,201	0	734	434,782	7,506,333	5.8%
Otterbein Public Library	0	1,049	0	1	1,050	19,610	5.4%
West Lafayette Public Library	12,997	80,031	0	163	93,190	1,454,296	6.4%
Tippecanoe County Public Library	4,118	71,520	0	248	75,887	3,945,479	1.9%
Greater Lafayette Public Transportation	5,349	61,228	0	135	66,712	2,099,054	3.2%
Wildcat Creek Solid Waste Mgt Dist	407	4,671	0	14	5,092	208,126	2.4%
Lafayette Redevelopment Comm	0	0	0	0	0	0	
Tippecanoe County Redevelopment	0	0	0	0	0	0	
West Lafayette Redevelopment Comm	0	0	0	0	0	0	
Shadeland Town Redevelopment Comm	0	0	0	0	0	0	
TIF - 3 Fairfield Twp-TSC-B	0	0	0	0	0	1,745	0.0%
TIF - 4 Lafayette-Fairfield Twp-LSC-B	3,298	160,451	0	0	163,750	6,661,878	2.5%
TIF - 5 Lafayette-Fairfield Twp-TSC-B	0	2,697	0	0	2,697	2,413,079	0.1%
TIF - 9 Perry Township-TSC	0	0	0	0	0	124,834	0.0%
TIF - 12 Sheffield Township-TSC	0	0	0	0	0	62,366	0.0%
TIF - 20 Shadeland Town-TSC	0	0	0	0	0	27,138	0.0%
TIF - 21 Shadeland-TSC-B	0	0	0	0	0	239,446	0.0%
TIF - 22 Wabash Township-TSC	0	0	0	0	0	0	
TIF - 25 West Lafayette City-TSC-B	0	0	0	0	0	0	
TIF - 26 West Lafayette City-WLSC-B	0	218,037	0	0	218,037	3,331,450	6.5%
TIF - 27 Washington Township-TSC	0	0	0	0	0	0	
TIF - 30 Wea Township-TSC	0	0	0	0	0	10,139	0.0%
TIF - 31 Wea Township-TSC-B	0	0	0	0	0	785,636	0.0%
TIF - 32 Lafayette City-Wea Township-LS	24	71,977	0	0	72,001	845,325	8.5%
TIF - 33 Lafayette City-Wea Township-TS	0	14,084	0	0	14,084	823,949	1.7%
TIF - 34 West Lafayette City-TSC-B-C	413	83,078	0	0	83,491	1,471,214	5.7%
TIF - 35 West Lafayette-WLSC-B-C	228	2,731	0	0	2,959	1,213,518	0.2%
TIF - 36 Lafayette Sheffield TSC-B	0	0	0	0	0	343,236	0.0%
TIF - 37 Laf Wea TSC-B Annex	0	2,738	0	0	2,738	220,715	1.2%
TIF - 38 Lafayette Perry-TSC	0	291	0	0	291	22,705	1.3%

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.