

2009 VERMILLION 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 Vermillion County

Average Decrease
in Homeowner
Property Tax Bills
2008 to 2009
2.4%

Average Decrease
in Homeowner
Property Tax Bills
2007 to 2009
36.9%

Percentage of
Homeowners with
Decrease in
Property Tax Bill
2008 to 2009
70.9%

Percentage of
Homeowners with
Decrease in
Property Tax Bill
2007 to 2009
94.7%

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	298	6.4%	104	2.2%
10% to 19%	424	9.1%	21	0.5%
1% to 9%	536	11.5%	40	0.9%
0%	101	2.2%	81	1.7%
-1% to -9%	795	17.0%	71	1.5%
-10% to -19%	1,021	21.9%	226	4.8%
-20% to -29%	619	13.3%	642	13.8%
-30% to -39%	327	7.0%	982	21.1%
-40% to -49%	149	3.2%	967	20.7%
-50% to -59%	111	2.4%	732	15.7%
-60% to -69%	48	1.0%	375	8.0%
-70% to -79%	34	0.7%	137	2.9%
-80% to -89%	29	0.6%	76	1.6%
-90% to -99%	12	0.3%	30	0.6%
-100%	161	3.5%	181	3.9%
Total	4,665	100.0%	4,665	100.0%
Higher Tax Bill	1,258	27.0%	165	3.5%
No Change	101	2.2%	81	1.7%
Lower Tax Bill	3,306	70.9%	4,419	94.7%
Average Change in Tax Bill	-2.4%		-36.9%	

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	Vermillion County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-5.6%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-30.4%	-30.6%
State PTRC Percentage, 2008	20.4%	20.1%
Total State Homestead Credit, 2008	43.8%	39.5%
Total State Homestead Credit, 2009	7.9%	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. Average homeowner tax bills in Vermillion County decreased by 2.4%. Vermillion County saw a smaller-than-average reduction in assessed value in 2009, which allowed tax rates to fall nearly as much as the eliminated tax levies. But Vermillion County had higher-than-average homestead credit rate in 2008. The loss of this tax relief nearly offset the effect of the lower tax rates, which left homeowner tax bills with a small average

2009 Property Tax Changes:

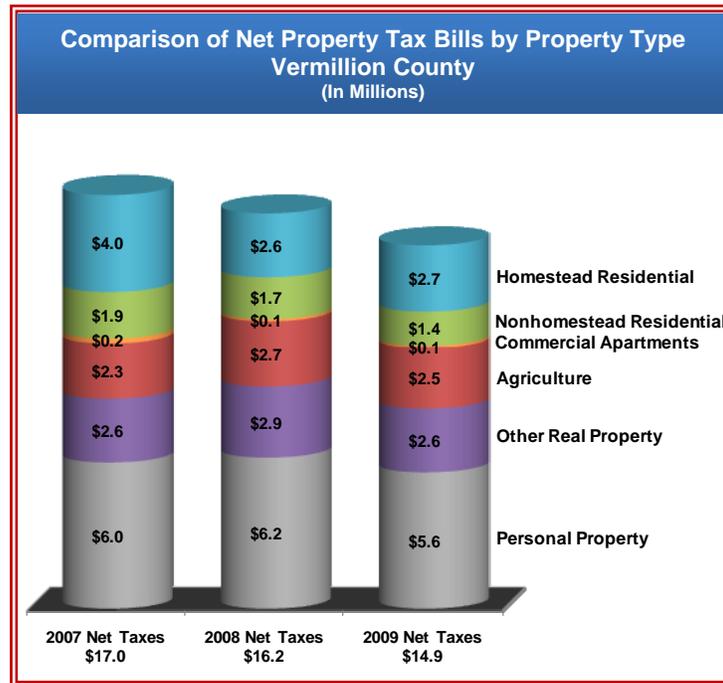
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

decrease in 2009. Vermillion did not adopt a local option income tax for property tax relief, and few Vermillion County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Vermillion County, as they were in almost all Indiana counties.



In Vermillion County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 17.6% decline in average property tax bills. Average tax bills on commercial apartments did not change. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 7.4% average tax decrease. Other commercial, industrial, and utility real property average tax bills decreased 10.3%. Personal property, which is largely business equipment, saw a 9.7% 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 Vermillion County \$4,813

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

1.5 %
Homestead qualifying property
\$4,713 97.9%

2.5 %
Other qualified residential property
\$0 0.0%

3.5 %
All other real and personal property
\$0 0.0%

Elderly
\$100 2.1%

Vermillion County Levy Comparison by Taxing Unit

Unit	2007	2008	2009	2007-2008	2008-2009	2008 - 2009
	Levy	Levy	Levy	Levy Change	Levy Change	Comparable Levy Change
County Total	\$21,626,801	\$21,799,168	\$15,087,193	0.8%	-30.8%	-6.2%
State Unit	18,536	19,643	0	6.0%	-100.0%	
Vermillion County	5,797,853	6,264,342	5,789,070	8.0%	-7.6%	4.4%
Clinton Township	236,783	224,459	210,999	-5.2%	-6.0%	-6.0%
Eugene Township	83,184	87,995	95,290	5.8%	8.3%	8.3%
Helt Township	223,276	231,217	240,513	3.6%	4.0%	4.0%
Highland Township	55,714	56,274	59,039	1.0%	4.9%	4.9%
Vermillion Township	59,525	47,762	67,869	-19.8%	42.1%	42.1%
Clinton Civil City	815,554	865,996	764,693	6.2%	-11.7%	-7.2%
Cayuga Civil Town	170,569	176,872	183,211	3.7%	3.6%	3.6%
Dana Civil Town	73,059	73,418	77,868	0.5%	6.1%	6.1%
Fairview Park Civil Town	81,963	84,549	80,685	3.2%	-4.6%	-4.6%
Newport Civil Town	25,901	26,433	24,884	2.1%	-5.9%	-5.9%
Perrysville Civil Town	29,030	30,079	30,301	3.6%	0.7%	0.7%
Universal Civil Town	6,801	6,685	7,487	-1.7%	12.0%	12.0%
North Vermillion Community School Corp.	4,687,351	4,748,637	1,698,374	1.3%	-64.2%	-38.1%
South Vermillion Community School Corp.	8,386,404	7,965,460	4,836,583	-5.0%	-39.3%	-3.9%
Clinton Public Library	478,714	491,882	508,955	2.8%	3.5%	3.5%
Vermillion County Public Library	396,584	397,465	411,372	0.2%	3.5%	3.5%
Vermillion County Solid Waste Mgt. District	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.

Vermillion 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	State Homestead, Total		Total Local Income Tax Credits, Homesteads	
	2008	2009	% Change	2008	2009	% Change	2008	2009	Rate-Real	2008	2009	2008	2009
	Clinton Township	104.5	85.1	-18.6%	2,882,658	1,954,232	-32.2%	2.7591	2.2975	20.17%	42.46%	7.89%	0.00%
Clinton Civil City	96.4	80.3	-16.7%	3,442,187	2,543,731	-26.1%	3.5720	3.1688	19.01%	45.59%	7.89%	0.00%	0.00%
Fairview Park Civil Town	31.9	23.2	-27.3%	938,276	594,967	-36.6%	2.9400	2.5639	19.77%	43.08%	7.89%	0.00%	0.00%
Universal Civil Town	4.5	3.4	-25.9%	128,125	82,058	-36.0%	2.8227	2.4387	20.27%	43.32%	7.89%	0.00%	0.00%
Eugene Township	158.0	178.4	12.9%	3,649,985	2,461,442	-32.6%	2.3108	1.3798	21.40%	42.85%	7.89%	0.00%	0.00%
Cayuga Civil Town	19.5	16.4	-16.2%	622,892	405,199	-34.9%	3.1878	2.4735	19.93%	47.28%	7.89%	0.00%	0.00%
Helt Township	235.2	233.2	-0.9%	6,059,949	4,778,196	-21.2%	2.5760	2.0487	21.09%	42.88%	7.89%	0.00%	0.00%
Dana Civil Town	10.7	9.0	-15.9%	343,076	257,203	-25.0%	3.2188	2.8707	20.12%	46.18%	7.89%	0.00%	0.00%
Highland Township	71.5	66.4	-7.1%	1,670,076	940,190	-43.7%	2.3345	1.4153	21.34%	43.02%	7.89%	0.00%	0.00%
Perrysville Civil Town	7.3	5.2	-28.2%	196,499	101,348	-48.4%	2.6947	1.9356	20.65%	45.20%	7.89%	0.00%	0.00%
Vermillion Township	71.1	66.0	-7.3%	1,651,294	941,113	-43.0%	2.3213	1.4267	21.49%	43.23%	7.89%	0.00%	0.00%
Newport Civil Town	6.2	4.8	-22.8%	168,740	91,796	-45.6%	2.7373	1.9293	20.55%	45.35%	7.89%	0.00%	0.00%
County Totals/Averages	816.8	771.3	-5.6%	21,753,756	15,151,474	-30.4%	2.6635	1.9817	20.40%	43.83%	7.89%	0.00%	0.00%

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.

Vermillion 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		
Vermillion County	5,789,070	1,545	0	0	33	1,578	
Clinton Township	210,999	316	0	0	7	323	
Eugene Township	95,290	0	0	0	0	0	
Helt Township	240,513	0	0	0	0	0	
Highland Township	59,039	0	0	0	0	0	
Vermillion Township	67,869	0	0	0	0	0	
Clinton Civil City	764,693	0	0	0	0	0	
Cayuga Civil Town	183,211	0	0	0	0	0	
Dana Civil Town	77,868	0	0	0	0	0	
Fairview Park Civil Town	80,685	0	0	0	0	0	
Newport Civil Town	24,884	0	0	0	0	0	
Perrysville Civil Town	30,301	0	0	0	0	0	
Universal Civil Town	7,487	0	0	0	0	0	
North Vermillion Community School Corporation	1,698,374	0	0	0	0	0	
South Vermillion Community School Corporation	4,836,583	2,312	0	0	49	2,361	
Clinton Public Library	508,955	540	0	0	11	551	
Vermillion County Public Library	411,372	0	0	0	0	0	
Vermillion County Solid Waste Management	0	0	0	0	0	0	
Total - All Taxing Units	15,087,193	4,713	0	0	100	4,813	

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.