

2010 Property Tax Report

Vermillion County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Vermillion 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 Vermillion 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 Vermillion 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	2,457	54.4%	79	1.8%
No Change	247	5.5%	74	1.6%
Lower Tax Bill	1,810	40.1%	4,361	96.6%
Average Change in Tax Bill	-5.1%		-40.3%	
Detailed Change in Tax Bill				
20% or More	138	3.1%	39	0.9%
10% to 19%	444	9.8%	15	0.3%
1% to 9%	1,875	41.5%	25	0.6%
0%	247	5.5%	74	1.6%
-1% to -9%	1,093	24.2%	58	1.3%
-10% to -19%	220	4.9%	155	3.4%
-20% to -29%	132	2.9%	582	12.9%
-30% to -39%	88	1.9%	1,054	23.3%
-40% to -49%	94	2.1%	1,016	22.5%
-50% to -59%	51	1.1%	648	14.4%
-60% to -69%	46	1.0%	340	7.5%
-70% to -79%	31	0.7%	178	3.9%
-80% to -89%	17	0.4%	110	2.4%
-90% to -99%	8	0.2%	57	1.3%
-100%	30	0.7%	163	3.6%
Total	4,514	100.0%	4,514	100.0%

Note: Percentages may not total due to rounding.

The average homeowner saw a 5.1% tax bill decrease from 2009 to 2010.

Homestead taxes in 2010 were still 40.3% lower than they were in 2007, before the property tax reforms.

96.6% of homeowners saw lower tax bills in 2010 than in 2007.

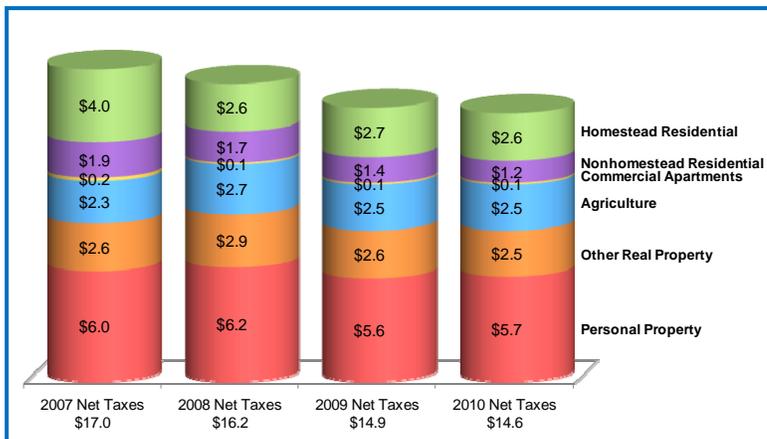
71.2% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2010.

Vermillion County Overview

The decline in homeowner tax bills was similar to the state average of 2.1%. Property tax levies increased 0.6% in Vermillion County in 2010, less than the state average increase of 2.4%. An increase in the North Vermillion School Corporation capital projects levy was offset by decreases in all of the South Vermillion School Corporation levies. Vermillion County homeowners benefitted less from the one percent property tax cap than did homeowners in the average county, primarily because Vermillion home values tend to be lower than the state average. Vermillion County does not provide local homestead credits.

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



Net tax bills for all taxpayers decreased 1.6% in Vermillion County from 2009 to 2010. This was lower than the statewide reduction of 1.4%. In 2010 apartment owners saw an 11.9% 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 15.8% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 2.4% decrease and a 3.2% increase, respectively, in tax bills in 2010. These changes in tax bills were mainly due to changes in assessed value and to a small extent, the tightening of the tax caps from 3.5% to 3%. After

deductions and exemptions, business real property net assessed value grew by 1.1%, while personal property net assessed value grew by 4.1%.

Despite the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre, agricultural business property saw only a 0.7% increase in tax payments in 2010 because of a decline in some Vermillion County tax rates and because of the tightening of the tax caps from 2.5% to 2% for farmland.

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.

Property Tax Cap Changes, 2009 - 2010

Homestead	Other Residential Property and Farmland	All Other Real and Personal Property
<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="text-align: center; margin: 0;">2009 1.5%</p> <p style="text-align: center; font-size: 2em; color: blue; margin: 5px 0;">↓</p> <p style="text-align: center; margin: 0;">2010 1%</p> </div>	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="text-align: center; margin: 0;">2009 2.5%</p> <p style="text-align: center; font-size: 2em; color: blue; margin: 5px 0;">↓</p> <p style="text-align: center; margin: 0;">2010 2%</p> </div>	<div style="border: 1px solid black; padding: 5px; width: 80px; margin: 0 auto;"> <p style="text-align: center; margin: 0;">2009 3.5%</p> <p style="text-align: center; font-size: 2em; color: blue; margin: 5px 0;">↓</p> <p style="text-align: center; margin: 0;">2010 3%</p> </div>

Tax Cap Credits

Tax cap credits in Vermillion County in 2010 amounted to 3.9% 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 Vermillion County and to the 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. Few commercial or industrial properties in the 3% tax cap category qualified for credits, because the highest Vermillion County tax rate barely exceeded \$3. Vermillion 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
Vermillion County Total \$593,225

1%	2%	3%	Elderly
\$54,038	\$479,571	\$59,615	\$0
9.1%	80.8%	10.1%	0.0%

Vermillion County, Clinton City, and the South Vermillion Community School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, Clinton City lost the most, at 16%. Losses were greatest for units that overlapped Clinton City because its tax district had the highest tax rate.

The Effects of Recession

In Vermillion 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 5.2% in December 2007 to 10.9% in July 2009. Despite job losses, local income tax revenue grew by 3.1%.

Vermillion County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	399,110,600	394,812,350	-1.1%
Other Residential	61,350,600	62,120,200	1.3%
Ag Business/Land	138,636,300	142,822,600	3.0%
Business Real/Personal	511,026,154	507,008,451	-0.8%
Total	\$1,110,123,654	\$1,106,763,601	-0.3%

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 Vermillion County, the gross assessed value of business real and personal property fell 0.8% in 2010. Most other assessment categories increased, and total gross assessed value in Vermillion County fell 0.3%. 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.

Vermillion County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	21,626,801	21,799,168	15,087,193	15,173,321	0.8%	-30.8%	0.6%
State Unit	18,536	19,643	0	0	6.0%	-100.0%	
Vermillion County	5,797,853	6,264,342	5,789,070	5,979,106	8.0%	-7.6%	3.3%
Clinton Township	236,783	224,459	210,999	217,986	-5.2%	-6.0%	3.3%
Eugene Township	83,184	87,995	95,290	98,463	5.8%	8.3%	3.3%
Helt Township	223,276	231,217	240,513	240,113	3.6%	4.0%	-0.2%
Highland Township	55,714	56,274	59,039	60,979	1.0%	4.9%	3.3%
Vermillion Township	59,525	47,762	67,869	70,385	-19.8%	42.1%	3.7%
Clinton Civil City	815,554	865,996	764,693	844,595	6.2%	-11.7%	10.4%
Cayuga Civil Town	170,569	176,872	183,211	190,154	3.7%	3.6%	3.8%
Dana Civil Town	73,059	73,418	77,868	80,827	0.5%	6.1%	3.8%
Fairview Park Civil Town	81,963	84,549	80,685	85,453	3.2%	-4.6%	5.9%
Newport Civil Town	25,901	26,433	24,884	27,095	2.1%	-5.9%	8.9%
Perrysville Civil Town	29,030	30,079	30,301	31,724	3.6%	0.7%	4.7%
Universal Civil Town	6,801	6,685	7,487	6,967	-1.7%	12.0%	-6.9%
North Vermillion Community School Corp	4,687,351	4,748,637	1,698,374	2,025,917	1.3%	-64.2%	19.3%
South Vermillion Community School Corp	8,386,404	7,965,460	4,836,583	4,364,938	-5.0%	-39.3%	-9.8%
Clinton Public Library	478,714	491,882	508,955	510,388	2.8%	3.5%	0.3%
Vermillion County Public Library	396,584	397,465	411,372	338,231	0.2%	3.5%	-17.8%
Vermillion County Solid Waste Mgt Dist	0	0	0	0			

Vermillion 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	CREDIT Residential	LOIT Homestead	LOIT Residential	
83001	Clinton Township	2.2096	--	4.9033%	--	--	--	--	--	2.1013
83002	Clinton Civil City	3.1966	--	4.9033%	--	--	--	--	--	3.0399
83003	Fairview Park Civil Town	2.4886	--	4.9033%	--	--	--	--	--	2.3666
83004	Universal Civil Town	2.3495	--	4.9033%	--	--	--	--	--	2.2343
83005	Eugene Township	1.4817	--	4.9033%	--	--	--	--	--	1.4090
83006	Cayuga Civil Town	2.6060	--	4.9033%	--	--	--	--	--	2.4782
83007	Helt Township	1.9415	--	4.9033%	--	--	--	--	--	1.8463
83008	Dana Civil Town	2.8092	--	4.9033%	--	--	--	--	--	2.6715
83009	Highland Township	1.5190	--	4.9033%	--	--	--	--	--	1.4445
83010	Perrysville Civil Town	2.1097	--	4.9033%	--	--	--	--	--	2.0063
83011	Vermillion Township	1.5343	--	4.9033%	--	--	--	--	--	1.4591
83012	Newport Civil Town	2.1324	--	4.9033%	--	--	--	--	--	2.0278

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.

Vermillion 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>	54,038	479,571	59,615	0	593,225	15,173,321	3.9%
<i>TIF Total</i>	0	0	0	0	0	103,341	0.0%
<i>County Total</i>	54,038	479,571	59,615	0	593,225	15,276,662	3.9%
Vermillion County	15,405	129,192	14,442	0	159,039	5,979,106	2.7%
Clinton Township	2,196	13,643	1,442	0	17,280	217,986	7.9%
Eugene Township	8	258	0	0	266	98,463	0.3%
Helt Township	17	419	0	0	436	240,113	0.2%
Highland Township	0	32	0	0	32	60,979	0.1%
Vermillion Township	0	85	0	0	85	70,385	0.1%
Clinton Civil City	10,243	105,008	19,948	0	135,198	844,595	16.0%
Cayuga Civil Town	334	11,060	0	0	11,394	190,154	6.0%
Dana Civil Town	288	7,112	0	0	7,400	80,827	9.2%
Fairview Park Civil Town	425	7,007	0	0	7,431	85,453	8.7%
Newport Civil Town	0	637	0	0	637	27,095	2.4%
Perrysville Civil Town	0	688	0	0	688	31,724	2.2%
Universal Civil Town	0	559	0	0	559	6,967	8.0%
North Vermillion Community School Corp	174	6,998	0	0	7,171	2,025,917	0.4%
South Vermillion Community School Corp	19,759	156,357	18,799	0	194,915	4,364,938	4.5%
Clinton Public Library	5,155	39,384	4,985	0	49,524	510,388	9.7%
Vermillion County Public Library	35	1,134	0	0	1,170	338,231	0.3%
Vermillion County Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Clinton Industrial Park	0	0	0	0	0	103,341	0.0%

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.