

2009 VIGO COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

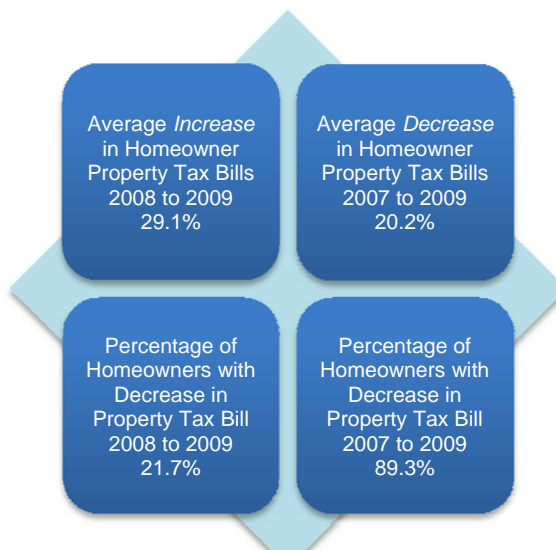


Legislative Services Agency

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 Vigo 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	12,992	52.5%	405	1.6%
10% to 19%	3,042	12.3%	515	2.1%
1% to 9%	2,925	11.8%	1,309	5.3%
0%	409	1.7%	414	1.7%
-1% to -9%	1,489	6.0%	2,579	10.4%
-10% to -19%	770	3.1%	4,569	18.5%
-20% to -29%	418	1.7%	5,161	20.9%
-30% to -39%	307	1.2%	4,177	16.9%
-40% to -49%	236	1.0%	2,225	9.0%
-50% to -59%	251	1.0%	796	3.2%
-60% to -69%	214	0.9%	447	1.8%
-70% to -79%	184	0.7%	362	1.5%
-80% to -89%	158	0.6%	318	1.3%
-90% to -99%	133	0.5%	240	1.0%
-100%	1217	4.9%	1228	5.0%
Total	24,745	100.0%	24,745	100.0%
Higher Tax Bill	18,959	76.6%	2,229	9.0%
No Change	409	1.7%	414	1.7%
Lower Tax Bill	5,377	21.7%	22,102	89.3%
Average Change in Tax Bill	29.1%		-20.2%	

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	Vigo County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-11.8%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-23.3%	-30.6%
State PTRC Percentage, 2008	21.4%	20.1%
Total State Homestead Credit, 2008	54.3%	39.5%
Total State Homestead Credit, 2009	7.5%	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 Vigo County increased by 29.1%. School general fund and county welfare levies were a smaller-than-average share of Vigo County's levy in 2008. The elimination of these levies provided less tax relief in Vigo than in most counties. Vigo County taxpayers saw higher-than-average state homestead credit rates in 2008. The loss of this tax relief added to homestead tax bills. Vigo did not adopt a local option

income tax for property tax relief, and few Vigo County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Vigo County, as they were in most Indiana counties.

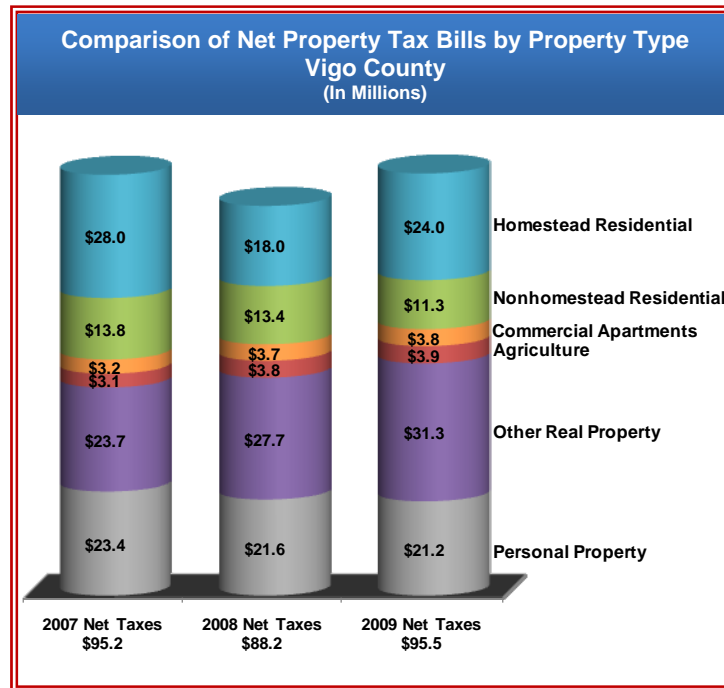
2009 Property Tax Changes:

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.



In Vigo County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 15.7% decline in average property tax bills. Average tax bills on commercial apartments increased 2.7%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 2.6% average tax increase. Other commercial, industrial, and utility real property average tax bills increased 13%. Personal property, which is largely business equipment, saw a 1.9% 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 Vigo County \$5,487,269

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



Vigo 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
County Total	\$122,885,843	\$127,368,502	\$98,329,769	3.6%	-22.8%	1.1%
State Unit	94,815	96,410	0	1.7%	-100.0%	
Vigo County	29,507,336	27,645,613	25,349,846	-6.3%	-8.3%	8.5%
Fayette Township	68,214	80,600	81,252	18.2%	0.8%	0.8%
Harrison Township	551,125	567,449	595,999	3.0%	5.0%	5.0%
Honey Creek Township	32,647	33,285	34,598	2.0%	3.9%	3.9%
Linton Township	46,627	44,071	50,537	-5.5%	14.7%	14.7%
Lost Creek Township	88,211	90,279	95,228	2.3%	5.5%	5.5%
Nevins Township	52,621	55,680	55,849	5.8%	0.3%	0.3%
Otter Creek Township	211,259	221,038	212,220	4.6%	-4.0%	-4.0%
Pierson Township	60,468	89,036	78,580	47.2%	-11.7%	-11.7%
Prairie Creek Township	40,926	41,181	14,004	0.6%	-66.0%	-66.0%
Prairieton Township	12,848	13,689	14,320	6.5%	4.6%	4.6%
Riley Township	21,120	22,143	23,589	4.8%	6.5%	6.5%
Sugar Creek Township	156,841	189,585	198,799	20.9%	4.9%	4.9%
Terre Haute Civil City	27,348,936	27,461,719	26,549,975	0.4%	-3.3%	3.9%
Riley Civil Town	15,620	16,564	17,647	6.0%	6.5%	6.5%
Seelyville Civil Town	46,007	49,255	51,757	7.1%	5.1%	5.1%
West Terre Haute Civil Town	366,488	423,205	450,109	15.5%	6.4%	6.4%
Vigo County School Corporation	49,647,702	53,853,106	27,870,570	8.5%	-48.2%	-7.5%
Vigo County Public Library	4,444,471	4,631,705	4,820,393	4.2%	4.1%	4.1%
Terre Haute Sanitary District	7,000,751	8,071,997	7,776,807	15.3%	-3.7%	-3.7%
Hulman Field Airport	1,181,241	1,144,871	1,190,837	-3.1%	4.0%	4.0%
Honey Creek Fire Protection	1,247,781	1,517,727	1,787,364	21.6%	17.8%	17.8%
New Goshen Fire Protection District	107,763	125,010	124,029	16.0%	-0.8%	-0.8%
Lost Creek Fire Protection District	78,445	87,039	90,710	11.0%	4.2%	4.2%
Prairieton Fire Protection District	57,419	61,487	64,191	7.1%	4.4%	4.4%
Riley Fire Protection District	152,257	264,596	324,888	73.8%	22.8%	22.8%
Clay-Owen-Vigo Solid Waste Mgt. District	0	0	0			
Sugar Creek Township Fire District	245,904	470,162	405,671	91.2%	-13.7%	-13.7%
Vigo County Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Terre Haute 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.

Vigo 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	2008	2008	2009	2008	2009
Fayette Township	48.5	41.5	-14.5%	1,094,440	728,595	-33.4%	2.2573	1.7566	24.25%	53.04%	7.52%	0.00%	0.00%
Terre Haute City-Harrison Town	1404.6	1246.9	-11.2%	56,133,257	45,323,436	-19.3%	3.9965	3.6348	20.43%	56.99%	7.52%	0.00%	0.00%
Honey Creek Township	144.5	136.8	-5.4%	3,447,323	2,594,751	-24.7%	2.3856	1.8973	23.53%	52.86%	7.52%	0.00%	0.00%
Honey Creek Township-Sanitary	565.9	504.7	-10.8%	15,144,346	11,165,532	-26.3%	2.6763	2.2122	21.03%	49.57%	7.52%	0.00%	0.00%
Terre Haute City-Honey Creek Twp	214.2	227.8	6.4%	8,481,737	8,181,136	-3.5%	3.9597	3.5909	20.45%	56.87%	7.52%	0.00%	0.00%
Linton Township	75.0	68.2	-9.0%	1,672,147	1,177,814	-29.6%	2.2300	1.7263	24.52%	53.36%	7.52%	0.00%	0.00%
Lost Creek Township	92.9	72.9	-21.5%	2,084,072	1,275,979	-38.8%	2.2426	1.7499	24.59%	53.76%	7.52%	0.00%	0.00%
Lost Creek Township-Sanitary	76.8	61.8	-19.5%	1,945,075	1,276,331	-34.4%	2.5333	2.0648	21.83%	50.12%	7.52%	0.00%	0.00%
Terre Haute City-Lost Creek Twp	214.9	164.0	-23.7%	8,551,131	5,930,571	-30.6%	3.9783	3.6169	20.44%	56.93%	7.52%	0.00%	0.00%
Seelyville Town	21.9	19.0	-13.4%	605,121	444,223	-26.6%	2.7574	2.3371	21.49%	51.58%	7.52%	0.00%	0.00%
Nevins Township	68.4	56.6	-17.2%	1,543,434	996,849	-35.4%	2.2564	1.7599	24.39%	53.41%	7.52%	0.00%	0.00%
Otter Creek Township	135.9	114.4	-15.8%	3,038,933	1,984,489	-34.7%	2.2369	1.7342	24.43%	53.21%	7.52%	0.00%	0.00%
Otter Creek Township-Sanitary	220.7	176.1	-20.2%	5,579,149	3,607,920	-35.3%	2.5276	2.0491	21.68%	49.65%	7.52%	0.00%	0.00%
Terre Haute City-Otter Creek Twp	2.9	3.1	6.8%	116,346	112,809	-3.0%	3.9668	3.6011	20.44%	56.84%	7.52%	0.00%	0.00%
Pierson Township	85.9	77.5	-9.8%	1,958,261	1,365,989	-30.2%	2.2786	1.7627	24.02%	52.71%	7.52%	0.00%	0.00%
Prairie Creek Township	47.2	42.4	-10.0%	1,067,179	754,043	-29.3%	2.2623	1.7770	24.42%	53.59%	7.52%	0.00%	0.00%
Prairieton Township	38.7	35.2	-9.0%	916,272	627,936	-31.5%	2.3694	1.7847	24.27%	54.68%	7.52%	0.00%	0.00%
Riley Township	120.2	97.2	-19.1%	2,840,752	1,877,935	-33.9%	2.3628	1.9318	23.97%	53.77%	7.52%	0.00%	0.00%
Riley Township-Sanitary	26.0	22.0	-15.3%	688,902	493,957	-28.3%	2.6535	2.2467	21.40%	50.31%	7.52%	0.00%	0.00%
Riley Town	6.1	4.7	-22.4%	159,557	108,312	-32.1%	2.6365	2.3078	23.38%	55.46%	7.52%	0.00%	0.00%
Sugar Creek Township	170.2	132.9	-21.9%	4,247,679	2,687,894	-36.7%	2.4962	2.0220	23.35%	53.78%	7.52%	0.00%	0.00%
West Terre Haute Town	35.2	34.6	-1.7%	1,302,735	1,150,140	-11.7%	3.6973	3.3221	21.65%	58.81%	7.52%	0.00%	0.00%
Terre Haute City -- Riley Town	5.9	5.4	-9.1%	234,977	194,043	-17.4%	3.9701	3.6052	20.45%	56.91%	7.52%	0.00%	0.00%
Linton Township - Sanitary	21.2	34.4	62.4%	568,391	764,780	34.6%	2.6851	2.2247	20.99%	49.56%	7.52%	0.00%	0.00%
Fayette New Goshen Fire	171.7	163.0	-5.1%	3,900,560	2,873,378	-26.3%	2.2715	1.7630	24.37%	53.56%	7.52%	0.00%	0.00%
County Totals/Averages	4,015.4	3,543.2	-11.8%	127,321,776	97,698,843	-23.3%	3.1707	2.7579	21.37%	54.34%	7.52%	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.

Vigo 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	
Vigo County	25,349,846	93,509	757,907	196,414	35,299	1,083,129
Fayette Township	81,252	2	0	0	62	64
Harrison Township	595,999	2,074	44,020	9,981	1,204	57,280
Honey Creek Township	34,598	3	79	193	16	291
Linton Township	50,537	0	0	0	80	80
Lost Creek Township	95,228	2,599	3,048	452	166	6,265
Nevins Township	55,849	0	0	0	67	67
Otter Creek Township	212,220	0	0	12	220	233
Pierson Township	78,580	0	0	0	12	12
Prairie Creek Township	14,004	0	0	0	7	7
Prairieton Township	14,320	0	0	0	18	18
Riley Township	23,589	0	10	21	58	89
Sugar Creek Township	198,799	21	2,629	0	527	3,177
Terre Haute Civil City	26,549,975	210,317	1,681,583	445,038	46,149	2,383,088
Riley Civil Town	17,647	0	0	0	45	45
Seelyville Civil Town	51,757	0	0	0	24	24
West Terre Haute Civil Town	450,109	17	28,807	0	313	29,137
Vigo County School Corporation	27,870,570	102,821	833,331	215,963	38,812	1,190,927
Vigo County Public Library	4,820,393	17,784	144,123	37,351	6,712	205,971
Terre Haute Sanitary	7,776,807	41,295	328,736	87,002	10,898	467,931
Hulman Field Airport	1,190,837	4,391	35,577	9,219	1,657	50,844
Honey Creek Fire Protection	1,787,364	169	0	0	844	1,013
New Goshen Fire Protection District	124,029	5	0	0	92	97
Lost Creek Fire Protection District	90,710	0	0	0	147	147
Prairieton Fire Protection District	64,191	0	0	0	54	54
Riley Fire Protection District	324,888	0	0	0	800	800
Clay-Owen-Vigo Solid Waste Management District	0	0	0	0	0	0
Sugar Creek Township Fire District	405,671	42	5,361	0	1,075	6,478
Vigo County Redevelopment Commission	0	0	0	0	0	0
Terre Haute Redevelopment Commission	0	0	0	0	0	0
Total - All Taxing Units	98,329,769	475,052	3,865,211	1,001,647	145,359	5,487,269

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.