

2009 WARRICK COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

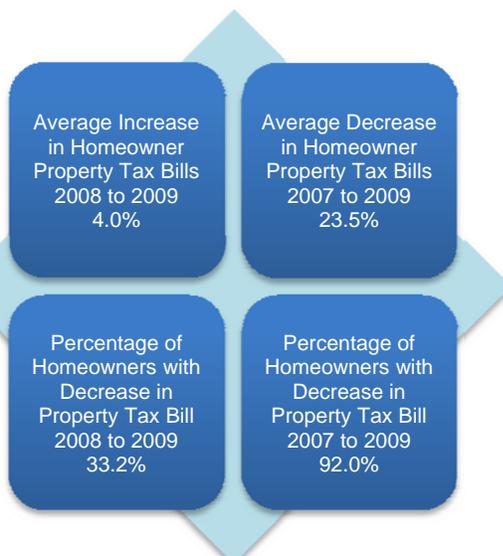


Legislative Services Agency

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 Warrick 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	1,440	9.4%	636	4.1%
10% to 19%	1,227	8.0%	176	1.1%
1% to 9%	7,503	48.9%	341	2.2%
0%	76	0.5%	68	0.4%
-1% to -9%	2,561	16.7%	1,033	6.7%
-10% to -19%	1,109	7.2%	2,178	14.2%
-20% to -29%	629	4.1%	5,114	33.3%
-30% to -39%	189	1.2%	4,151	27.1%
-40% to -49%	119	0.8%	882	5.8%
-50% to -59%	103	0.7%	234	1.5%
-60% to -69%	72	0.5%	122	0.8%
-70% to -79%	74	0.5%	105	0.7%
-80% to -89%	48	0.3%	86	0.6%
-90% to -99%	34	0.2%	52	0.3%
-100%	154	1.0%	160	1.0%
Total	15,338	100.0%	15,338	100.0%
Higher Tax Bill	10,170	66.3%	1,153	7.5%
No Change	76	0.5%	68	0.4%
Lower Tax Bill	5,092	33.2%	14,117	92.0%
Average Change in Tax Bill	4.0%		-23.5%	

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	Warrick County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-13.8%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-34.4%	-30.6%
State PTRC Percentage, 2008	24.4%	20.1%
Total State Homestead Credit, 2008	40.7%	39.5%
Total State Homestead Credit, 2009	6.7%	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 Warrick County increased by 4.0%. Warrick County taxpayers saw a larger-than-average reduction in its gross tax levy in 2009 because school general fund and county welfare fund levies were a larger share of the total levy in 2008. This reduced property tax rates. But Warrick County taxpayers saw a higher-than-average state property tax replacement credit rate in 2008. The loss of this added tax relief more than

offset the reduction in tax rates, resulting in a small increase in homeowner tax bills. Warrick County did not adopt a local option income tax for property tax relief, and few Warrick County homeowners were eligible for the circuit breaker tax cap

2009 Property Tax Changes:

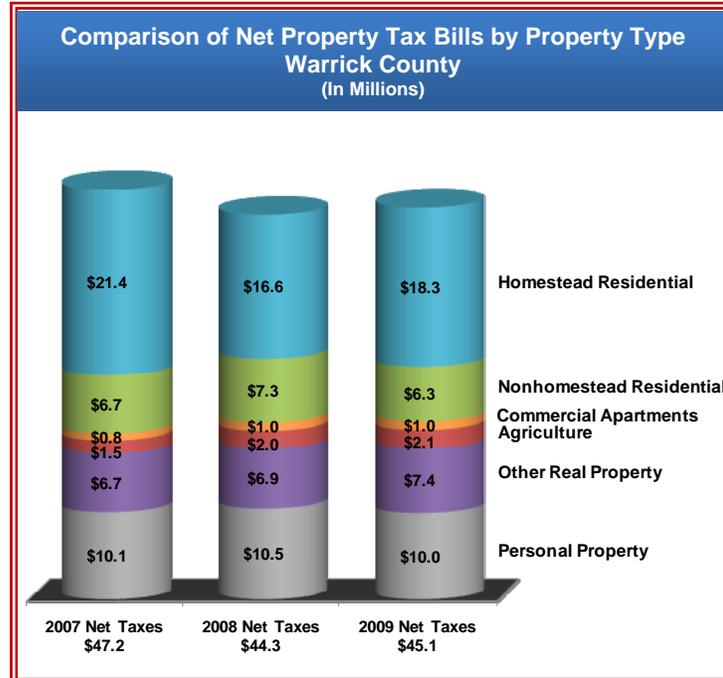
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

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



In Warrick County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 13.7% decline in average property tax bills. Average tax bills on commercial apartments increased 2%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 5% average tax increase. Other commercial, industrial, and utility real property average tax bills increased 7.2%. Personal property, which is largely business equipment, saw a 4.8% 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 Warrick County \$268,117

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

1.5%
Homestead qualifying property
\$26,444 9.9%

2.5%
Other qualified residential property
\$241,291 90.0%

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

Elderly
\$383 0.1%

Warrick 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	\$65,064,483	\$67,515,689	\$44,422,738	3.8%	-34.2%	0.9%
State Unit	74,381	76,682	0	3.1%	-100.0%	
Warrick County	13,437,564	14,333,766	13,041,949	6.7%	-9.0%	2.9%
Anderson Township	371,676	379,237	388,920	2.0%	2.6%	2.6%
Boon Township	253,593	269,394	280,823	6.2%	4.2%	4.2%
Campbell Township	19,248	19,657	20,741	2.1%	5.5%	5.5%
Greer Township	25,834	29,147	30,705	12.8%	5.3%	5.3%
Hart Township	62,274	81,631	96,054	31.1%	17.7%	17.7%
Lane Township	6,690	6,930	7,188	3.6%	3.7%	3.7%
Ohio Township	1,385,485	743,022	803,638	-46.4%	8.2%	8.2%
Owen Township	35,435	36,201	28,929	2.2%	-20.1%	-20.1%
Pigeon Township	42,863	44,579	46,877	4.0%	5.2%	5.2%
Skelton Township	55,198	58,146	61,282	5.3%	5.4%	5.4%
Boonville Civil City	2,286,753	2,352,236	2,377,528	2.9%	1.1%	4.5%
Chandler Civil Town	378,615	394,349	404,150	4.2%	2.5%	2.5%
Elberfeld Civil Town	156,273	163,411	163,718	4.6%	0.2%	0.2%
Lynnville Civil Town	47,120	145,365	151,997	208.5%	4.6%	4.6%
Newburgh Civil Town	580,915	600,976	595,186	3.5%	-1.0%	-1.0%
Tennyson Civil Town	18,207	18,871	19,710	3.6%	4.4%	4.4%
Warrick County School Corporation	42,502,572	43,692,611	21,491,907	2.8%	-50.8%	-2.5%
Newburgh - Ohio Township Public Library	2,056,703	1,874,802	2,108,115	-8.8%	12.4%	12.4%
Boonville-Warrick County Public Library	706,127	734,528	770,556	4.0%	4.9%	4.9%
Warrick County Solid Waste Mgt. District	560,957	1,460,148	1,532,765	160.3%	5.0%	5.0%

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.

Warrick 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
	Anderson Township	581.8	601.4	3.4%	11,543,372	8,588,383	-25.6%	1.9841	1.4280	25.18%	40.18%	6.71%	0.00%
Boon Township	361.7	312.7	-13.6%	7,169,555	4,508,273	-37.1%	1.9821	1.4419	25.37%	40.67%	6.71%	0.00%	0.00%
Boonville City	163.0	138.3	-15.2%	5,497,787	4,361,739	-20.7%	3.3729	3.1544	21.67%	47.40%	6.71%	0.00%	0.00%
Chandler Town-Boon Township	4.9	4.1	-17.0%	118,658	78,795	-33.6%	2.3996	1.9398	23.65%	43.16%	6.71%	0.00%	0.00%
Campbell Township	62.4	56.5	-9.3%	1,216,475	791,184	-35.0%	1.9501	1.3991	25.55%	40.48%	6.71%	0.00%	0.00%
Greer Township	60.5	52.6	-13.2%	1,272,199	825,297	-35.1%	2.1017	1.5704	24.04%	39.40%	6.71%	0.00%	0.00%
Elberfeld Town	16.3	12.7	-21.9%	402,596	262,137	-34.9%	2.4758	2.0637	19.77%	34.10%	6.71%	0.00%	0.00%
Hart Township	43.4	47.2	8.7%	983,296	816,929	-16.9%	2.2655	1.7308	21.98%	36.75%	6.71%	0.00%	0.00%
Lynnville Town	21.1	18.0	-14.4%	484,154	325,478	-32.8%	2.2982	1.8046	22.95%	39.77%	6.71%	0.00%	0.00%
Lane Township	11.5	16.6	44.5%	227,549	233,345	2.5%	1.9806	1.4057	25.46%	40.88%	6.71%	0.00%	0.00%
Newburgh Town	173.3	133.7	-22.9%	4,028,589	2,566,752	-36.3%	2.3246	1.9204	23.70%	42.19%	6.71%	0.00%	0.00%
Owen Township	23.3	27.0	15.9%	483,832	396,841	-18.0%	2.0779	1.4699	24.92%	41.35%	6.71%	0.00%	0.00%
Pigeon Township	45.3	51.0	12.4%	917,082	741,677	-19.1%	2.0238	1.4556	25.02%	40.56%	6.71%	0.00%	0.00%
Skelton Township	58.7	58.0	-1.1%	1,184,312	851,231	-28.1%	2.0188	1.4673	25.08%	40.64%	6.71%	0.00%	0.00%
Tennyson Town	3.7	3.3	-9.4%	90,498	66,803	-26.2%	2.4665	2.0087	22.91%	42.05%	6.71%	0.00%	0.00%
Ohio Township	1599.1	1250.0	-21.8%	32,263,834	18,975,249	-41.2%	2.0176	1.5180	24.79%	39.82%	6.71%	0.00%	0.00%
Chandler Town-Ohio Township	79.5	70.6	-11.2%	1,942,051	1,425,265	-26.6%	2.4424	2.0195	23.21%	42.55%	6.71%	0.00%	0.00%
County Totals/Averages	3,309.5	2,853.6	-13.8%	69,825,840	45,815,376	-34.4%	2.1131	1.6056	24.40%	40.65%	6.71%	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.

Warrick 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	
Warrick County	13,041,949	3,939	35,643	0	65	39,647
Anderson Township	388,920	0	0	0	0	0
Boon Township	280,823	219	2,025	0	2	2,246
Campbell Township	20,741	0	0	0	0	0
Greer Township	30,705	0	0	0	0	0
Hart Township	96,054	3	0	0	0	3
Lane Township	7,188	0	0	0	0	0
Ohio Township	803,638	1	0	0	1	2
Owen Township	28,929	0	0	0	0	0
Pigeon Township	46,877	0	0	0	0	0
Skelton Township	61,282	0	0	0	0	0
Boonville Civil City	2,377,528	14,680	135,621	0	166	150,466
Chandler Civil Town	404,150	6	0	0	0	6
Elberfeld Civil Town	163,718	0	0	0	0	0
Lynnville Civil Town	151,997	28	0	0	0	28
Newburgh Civil Town	595,186	43	0	0	21	64
Tennyson Civil Town	19,710	0	0	0	0	0
Warrick County School Corporation	21,491,907	6,566	59,421	0	108	66,095
Newburgh - Ohio Township Public Library	2,108,115	16	0	0	7	23
Boonville-Warrick County Public Library	770,556	474	4,344	0	5	4,823
Warrick County Solid Waste	1,532,765	468	4,238	0	8	4,714
Warrick County Solid Waste Management District	0	0	0	0	0	0
Lynnville Hart Township Fire Protection Territory	0	0	0	0	0	0
Total - All Taxing Units	44,422,738	26,444	241,291	0	383	268,117

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.