

# 2010 Property Tax Report

## Warrick County

### with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Warrick 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 Warrick 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 Warrick County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	13,402	89.2%	1,585	10.6%
No Change	218	1.5%	67	0.4%
Lower Tax Bill	1,399	9.3%	13,367	89.0%
<b>Average Change in Tax Bill</b>	<b>4.7%</b>		<b>-19.9%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	730	4.9%	840	5.6%
10% to 19%	1,003	6.7%	264	1.8%
1% to 9%	11,669	77.7%	481	3.2%
0%	218	1.5%	67	0.4%
-1% to -9%	795	5.3%	1,360	9.1%
-10% to -19%	261	1.7%	2,813	18.7%
-20% to -29%	149	1.0%	6,222	41.4%
-30% to -39%	80	0.5%	1,715	11.4%
-40% to -49%	24	0.2%	588	3.9%
-50% to -59%	21	0.1%	180	1.2%
-60% to -69%	19	0.1%	111	0.7%
-70% to -79%	16	0.1%	91	0.6%
-80% to -89%	11	0.1%	78	0.5%
-90% to -99%	3	0.0%	50	0.3%
-100%	20	0.1%	159	1.1%
<b>Total</b>	<b>15,019</b>	<b>100.0%</b>	<b>15,019</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

The average homeowner saw a 4.7% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 19.9% lower than they were in 2007, before the property tax reforms.

89.0% of homeowners saw lower tax bills in 2010 than in 2007.

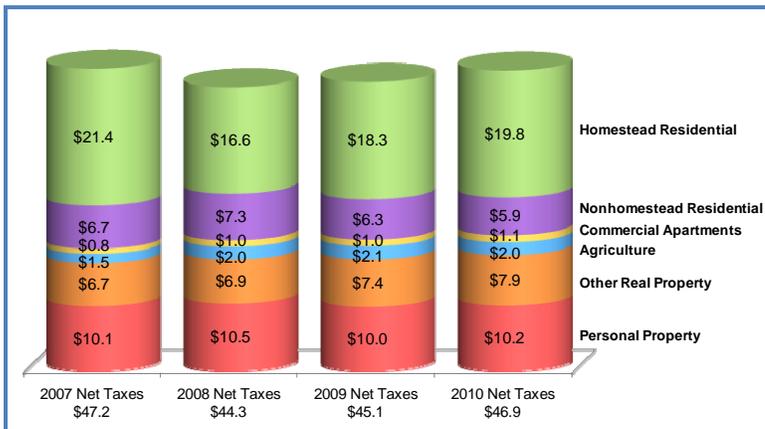
77.7% of homeowners saw tax increases of between 1% and 9% from 2009 to 2010.

The largest percentage of homeowners have seen between a 10% and 29% decrease in their tax bills from 2007 to 2010.

### Warrick County Overview

The larger-than-average increase in homeowner tax bills occurred because Warrick homeowners were less likely to benefit from the one percent tax cap than were homeowners in the average county. This was primarily because most Warrick tax rates are lower than average. Property tax levies increased 2.3% in Warrick County in 2010, similar to the state average increase of 2.4%. The largest levy increase was in the Warrick County School Corporation's debt service levy. Warrick County does not provide local homestead credits.

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



Net tax bills for all taxpayers increased 3.8% in Warrick County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 7.4% increase in tax bills. This increase was due mainly to reclassification of property. Existing apartment parcels rose by 0.1%, caused by increased levies, tempered by the tightening of the tax caps from 2.5% to 2% for rental housing. These factors also affected nonhomestead residential property (mostly small rental residences), which saw a 6.0% decrease in tax bills. Parcels that were classified as nonhomestead residential in both 2009 and 2010 declined by a total of only 0.2%. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 5.9% and 1.1% increase, respectively, in tax bills in 2010. These

changes in tax bills were mainly due to the increase in Warrick County property tax levies and changes in assessed value. After deductions and exemptions, business real property net assessed value grew by 7.3%, while personal property net assessed value declined by 1.0%. The tightening of the tax caps from 3.5% to 3% also contributed to the tax changes for commercial and industrial property. Agricultural business property saw a 2.7% decrease in tax payments in 2010, mainly due to reclassification of property. Parcels that were classified as agricultural in both 2009 and 2010 grew by 6.2% because of levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.

### 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 Warrick County in 2010 amounted to 1.9% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was mainly due to lower-than-average tax rates in Warrick County. Only 4 out of 17 total district tax rates were greater than \$2. Three of these rates barely exceeded \$2. Nonhomestead residential property in the 2% cap category received a small amount of credits. Commercial and industrial properties in the 3% tax cap category qualified for credits in only one taxing district where the tax rate exceeded \$3. Warrick 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  
Warrick County Total \$909,526**

1%	2%	3%	Elderly
\$245,683	\$538,310	\$123,500	\$2,033
27.0%	59.2%	13.6%	0.2%

Warrick County, Booneville City, and the Warrick County School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, Booneville City lost the most, at 18.5%. Losses were greatest for units that overlapped the Booneville City because its tax districts had the highest tax rate.

### The Effects of Recession

In Warrick County the recession has affected the economy, though less than in most Indiana counties. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 3.7% in December 2007 to 7.8% in July 2009. Despite job losses, local income tax revenue grew by 0.4%.

**Warrick County Gross Assessed Value by Property Type**

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	2,739,137,200	2,795,417,490	2.1%
Other Residential	347,586,900	366,245,500	5.4%
Ag Business/Land	128,054,400	132,582,632	3.5%
Business Real/Personal	1,292,936,833	1,330,138,186	2.9%
<b>Total</b>	<b>\$4,507,715,333</b>	<b>\$4,624,383,808</b>	<b>2.6%</b>

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 Warrick County, the gross assessed value of business real and personal property increased 2.9% in 2010. Other assessment categories also increased, and total gross assessed value in Warrick County rose 2.6%. This was higher 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.

### Warrick County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	65,064,483	67,515,689	44,422,738	45,433,418	3.8%	-34.2%	2.3%
State Unit	74,381	76,682	0	0	3.1%	-100.0%	
Warrick County	13,437,564	14,333,766	13,041,949	12,974,135	6.7%	-9.0%	-0.5%
Anderson Township	371,676	379,237	388,920	377,871	2.0%	2.6%	-2.8%
Boon Township	253,593	269,394	280,823	291,519	6.2%	4.2%	3.8%
Campbell Township	19,248	19,657	20,741	21,475	2.1%	5.5%	3.5%
Greer Township	25,834	29,147	30,705	30,756	12.8%	5.3%	0.2%
Hart Township	62,274	81,631	96,054	41,221	31.1%	17.7%	-57.1%
Lane Township	6,690	6,930	7,188	7,339	3.6%	3.7%	2.1%
Ohio Township	1,385,485	743,022	803,638	591,018	-46.4%	8.2%	-26.5%
Owen Township	35,435	36,201	28,929	29,691	2.2%	-20.1%	2.6%
Pigeon Township	42,863	44,579	46,877	46,040	4.0%	5.2%	-1.8%
Skelton Township	55,198	58,146	61,282	62,061	5.3%	5.4%	1.3%
Boonville Civil City	2,286,753	2,352,236	2,377,528	2,462,976	2.9%	1.1%	3.6%
Chandler Civil Town	378,615	394,349	404,150	403,080	4.2%	2.5%	-0.3%
Elberfeld Civil Town	156,273	163,411	163,718	167,994	4.6%	0.2%	2.6%
Lynnville Civil Town	47,120	145,365	151,997	156,710	208.5%	4.6%	3.1%
Newburgh Civil Town	580,915	600,976	595,186	632,657	3.5%	-1.0%	6.3%
Tennyson Civil Town	18,207	18,871	19,710	20,409	3.6%	4.4%	3.5%
Warrick County School Corp	42,502,572	43,692,611	21,491,907	22,556,655	2.8%	-50.8%	5.0%
Newburgh - Ohio Township Public Library	2,056,703	1,874,802	2,108,115	2,188,316	-8.8%	12.4%	3.8%
Boonville-Warrick County Public Library	706,127	734,528	770,556	797,710	4.0%	4.9%	3.5%
Warrick County Solid Waste Mgt Dist	560,957	1,460,148	1,532,765	1,573,785	160.3%	5.0%	2.7%

### Warrick County Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads	
			LOIT PTRC	State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
87001	Anderson Township	1.4671	--	3.6006%	--	--	--	--	--	1.4143
87002	Boon Township	1.4794	--	3.6006%	--	--	--	--	--	1.4261
87003	Boonville City	3.2573	--	3.6006%	--	--	--	--	--	3.1400
87005	Chandler Town-Boon Twp	1.9208	--	3.6006%	--	--	--	--	--	1.8516
87006	Campbell Township	1.4359	--	3.6006%	--	--	--	--	--	1.3842
87007	Greer Township	1.5958	--	3.6006%	--	--	--	--	--	1.5383
87008	Elberfeld Town	2.0832	--	3.6006%	--	--	--	--	--	2.0082
87009	Hart Township	1.6483	--	3.6006%	--	--	--	--	--	1.5890
87010	Lynnville Town	1.8525	--	3.6006%	--	--	--	--	--	1.7858
87011	Lane Township	1.4476	--	3.6006%	--	--	--	--	--	1.3955
87014	Newburgh Town	1.9679	--	3.6006%	--	--	--	--	--	1.8970
87015	Owen Township	1.5177	--	3.6006%	--	--	--	--	--	1.4631
87016	Pigeon Township	1.4953	--	3.6006%	--	--	--	--	--	1.4415
87017	Skelton Township	1.5065	--	3.6006%	--	--	--	--	--	1.4523
87018	Tennyson Town	2.0338	--	3.6006%	--	--	--	--	--	1.9606
87019	Ohio Township	1.5405	--	3.6006%	--	--	--	--	--	1.4850
87020	Chandler Town-Ohio Twp	2.0027	--	3.6006%	--	--	--	--	--	1.9306

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.

### Warrick 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>	245,683	538,310	123,500	2,033		909,526	45,433,418	2.0%
<i>TIF Total</i>	0	0	0	0		0	1,709,812	0.0%
<i>County Total</i>	245,683	538,310	123,500	2,033		909,526	47,143,230	1.9%
Warrick County	44,305	76,952	17,555	523		139,335	12,974,135	1.1%
Anderson Township	8	0	0	1		9	377,871	0.0%
Boon Township	1,286	4,353	1,009	17		6,664	291,519	2.3%
Campbell Township	0	0	0	2		2	21,475	0.0%
Greer Township	3	87	0	0		90	30,756	0.3%
Hart Township	16	0	0	0		16	41,221	0.0%
Lane Township	10	0	0	0		10	7,339	0.1%
Ohio Township	767	4	0	27		797	591,018	0.1%
Owen Township	0	0	0	1		1	29,691	0.0%
Pigeon Township	27	0	0	2		29	46,040	0.1%
Skelton Township	0	17	0	3		20	62,061	0.0%
Boonville Civil City	85,116	300,701	69,676	265		455,758	2,462,976	18.5%
Chandler Civil Town	429	138	0	38		605	403,080	0.2%
Elberfeld Civil Town	15	1,238	0	1		1,254	167,994	0.7%
Lynnville Civil Town	40	0	0	0		40	156,710	0.0%
Newburgh Civil Town	20,202	0	0	46		20,248	632,657	3.2%
Tennyson Civil Town	0	225	0	0		225	20,409	1.1%
Warrick County School Corp	77,847	135,306	30,866	912		244,931	22,556,655	1.1%
Newburgh - Ohio Township Public Library	7,351	42	0	107		7,501	2,188,316	0.3%
Boonville-Warrick County Public Library	2,830	9,806	2,241	25		14,902	797,710	1.9%
Warrick County Solid Waste Mgt Dist	5,431	9,440	2,154	64		17,089	1,573,785	1.1%
TIF - Boon Township	0	0	0	0		0	290,530	0.0%
TIF - Greer Township	0	0	0	0		0	0	
TIF - Ohio Township	0	0	0	0		0	1,419,283	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.