

# 2009 WELLS COUNTY PROPERTY TAX REPORT

## WITH COMPARISONS TO 2007 AND 2008

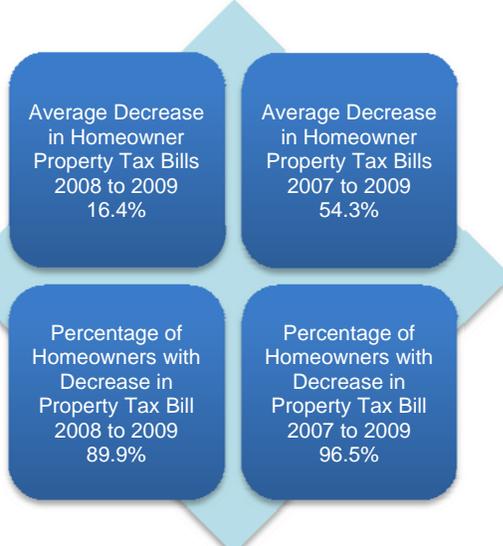


Legislative Services Agency

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 Wells 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	208	2.7%	89	1.2%
10% to 19%	118	1.5%	47	0.6%
1% to 9%	320	4.2%	66	0.9%
0%	126	1.6%	67	0.9%
-1% to -9%	762	10.0%	104	1.4%
-10% to -19%	2,139	28.0%	196	2.6%
-20% to -29%	2,150	28.1%	295	3.9%
-30% to -39%	1,164	15.2%	485	6.3%
-40% to -49%	328	4.3%	858	11.2%
-50% to -59%	58	0.8%	1,553	20.3%
-60% to -69%	66	0.9%	2,211	28.9%
-70% to -79%	54	0.7%	1,279	16.7%
-80% to -89%	53	0.7%	183	2.4%
-90% to -99%	30	0.4%	129	1.7%
-100%	74	1.0%	88	1.2%
<b>Total</b>	<b>7,650</b>	<b>100.0%</b>	<b>7,650</b>	<b>100.0%</b>
Higher Tax Bill	646	8.4%	202	2.6%
No Change	126	1.6%	67	0.9%
Lower Tax Bill	6,878	89.9%	7,381	96.5%
Average Change in Tax Bill	-16.4%		-54.3%	

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	Wells County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-12.8%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-38.6%	-30.6%
State PTRC Percentage, 2008	25.3%	20.1%
Total State Homestead Credit, 2008	43.9%	39.5%
Total State Homestead Credit, 2009	8.3%	7.2%
Did County Adopt a LOIT in 2008 or 2009?	Yes	

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 Wells County decreased by 16.4%. Wells County local units decreased their tax levies in 2009, and school general fund and county welfare levies were a larger-than-average share of Wells County's levy in 2008. These changes resulted in a larger-than-average reduction in tax rates. In addition, the county adopted a local option income tax for property tax relief in 2008, and it continued to

## 2009 Property Tax Changes:

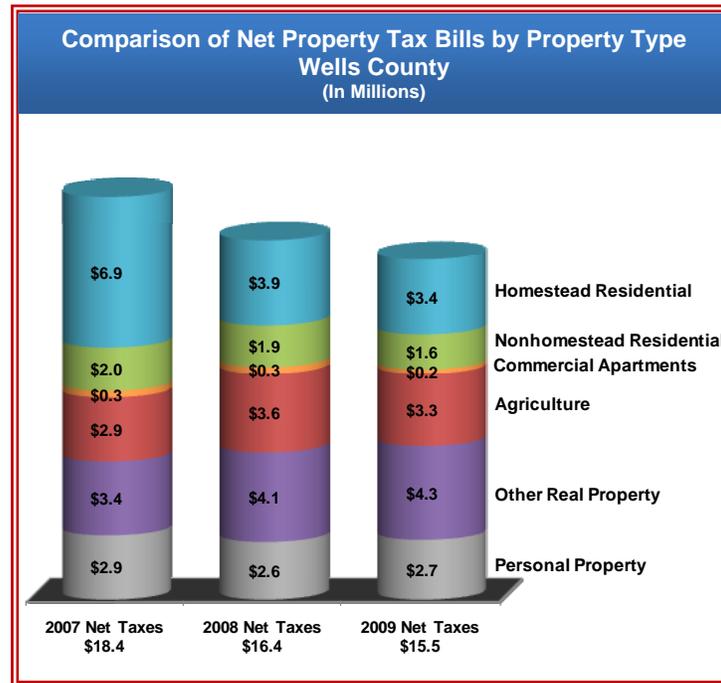
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

reduce homeowner tax bills in 2009. All these factors contributed to the reduction in homeowner tax bills. Few Wells County homeowners were eligible for the circuit breaker tax cap credits. Homeowner taxes were substantially lower in 2009 compared to 2007 in Wells County, as they were in most Indiana counties.



In Wells County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 15.8% decline in average property tax bills. Average tax bills on commercial apartments decreased 33.3%. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw an 8.3% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 4.9%. Personal property, which is largely business equipment, saw a 3.8% increase 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 Wells County \$489

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

1.5 %  
Homestead qualifying property  
\$8 1.6%

2.5%  
Other qualified residential property  
\$0 0.0%

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

Elderly  
\$481 98.4%

### Wells 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
<b>County Total</b>	<b>\$27,357,019</b>	<b>\$29,168,567</b>	<b>\$17,795,686</b>	<b>6.6%</b>	<b>-39.0%</b>	<b>-7.0%</b>
State Unit	28,950	32,733	0	13.1%	-100.0%	
Wells County	4,488,422	4,260,700	3,621,671	-5.1%	-15.0%	-2.5%
Chester Township	25,685	26,412	26,303	2.8%	-0.4%	-0.4%
Harrison Township	308,760	117,437	107,580	-62.0%	-8.4%	-8.4%
Jackson Township	13,446	14,324	14,401	6.5%	0.5%	0.5%
Jefferson Township	67,508	68,875	64,571	2.0%	-6.2%	-6.2%
Lancaster Township	62,431	61,762	61,302	-1.1%	-0.7%	-0.7%
Liberty Township	26,326	35,941	35,322	36.5%	-1.7%	-1.7%
Nottingham Township	19,551	19,234	56,466	-1.6%	193.6%	193.6%
Rockcreek Township	33,374	34,083	32,499	2.1%	-4.6%	-4.6%
Union Township	28,614	28,829	26,963	0.8%	-6.5%	-6.5%
Bluffton Civil City	2,492,043	2,487,526	2,348,216	-0.2%	-5.6%	-2.2%
Zanesville Civil Town	25,872	27,492	25,212	6.3%	-8.3%	-8.3%
Markle Civil Town	130,884	168,975	167,484	29.1%	-0.9%	-0.9%
Ossian Civil Town	464,166	467,919	410,963	0.8%	-12.2%	-12.2%
Poneto Civil Town	26,911	26,766	26,200	-0.5%	-2.1%	-2.1%
Uniondale Civil Town	19,277	19,711	18,704	2.3%	-5.1%	-5.1%
Vera Cruz Civil Town	2,802	2,634	2,166	-6.0%	-17.8%	-17.8%
Southern Wells Community School Corporation	2,790,494	3,230,778	1,539,979	15.8%	-52.3%	3.2%
Northern Wells Community School Corporation	9,078,458	10,498,505	4,440,835	15.6%	-57.7%	-18.9%
M.S.D. Bluffton-Harrison School Corporation	5,897,531	6,223,301	3,466,506	5.5%	-44.3%	-4.1%
Wells County Public Library	1,184,637	1,176,626	1,159,585	-0.7%	-1.4%	-1.4%
Huntington Library	35,934	34,351	38,775	-4.4%	12.9%	12.9%
Wells County Solid Waste Management District	104,943	103,653	103,983	-1.2%	0.3%	0.3%

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.

## Wells 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
Chester Township	68.3	69.2	1.3%	1,206,799	764,714	-36.6%	1.7659	1.1047	29.50%	46.39%	8.28%	18.46%	37.19%
Poneto Town-Chester Township	0.4	0.3	-28.0%	9,750	5,797	-40.5%	2.3414	1.9344	26.91%	51.73%	8.28%	11.05%	22.19%
Harrison Township	112.8	97.9	-13.2%	2,406,052	1,518,594	-36.9%	2.1325	1.5508	24.17%	40.53%	8.28%	21.54%	42.85%
Bluffton City-Harrison Township	251.3	218.4	-13.1%	6,804,601	4,747,546	-30.2%	2.7083	2.1741	22.37%	44.34%	8.28%	29.88%	58.04%
Poneto Town-Harrison Township	1.0	0.6	-38.5%	27,587	14,874	-46.1%	2.7053	2.3727	22.98%	45.95%	8.28%	11.05%	22.19%
Verra Cruz Town	1.8	1.5	-16.2%	39,604	24,525	-38.1%	2.2489	1.6623	23.72%	41.43%	8.28%	14.59%	29.79%
Jackson Township	51.3	49.4	-3.8%	901,154	541,019	-40.0%	1.7552	1.0959	29.68%	46.61%	8.28%	15.12%	30.75%
Jefferson Township	130.8	109.7	-16.1%	2,462,577	1,311,004	-46.8%	1.8824	1.1951	26.37%	42.55%	8.28%	13.86%	28.20%
Ossian Town	130.3	108.3	-16.9%	2,822,413	1,628,452	-42.3%	2.1654	1.5037	24.20%	42.57%	8.28%	20.62%	41.13%
Lancaster Township	141.3	115.8	-18.0%	2,606,935	1,343,122	-48.5%	1.8449	1.1595	26.80%	42.79%	8.28%	20.59%	42.16%
Bluffton City-Lancaster Twp-No. Wells Schools	150.9	133.8	-11.4%	3,685,414	2,416,504	-34.4%	2.4423	1.8066	24.08%	46.67%	8.28%	25.27%	46.91%
Bluffton City-Lancaster Twp-Bluffton-Harrison Schools	6.3	6.3	-0.6%	169,984	135,732	-20.2%	2.7017	2.1696	22.47%	44.53%	8.28%	19.94%	42.71%
Liberty Township	59.5	56.1	-5.6%	1,062,965	633,676	-40.4%	1.7867	1.1288	29.26%	46.31%	8.28%	24.77%	50.73%
Poneto Town-Liberty Twp	3.0	2.3	-24.1%	70,152	44,080	-37.2%	2.3535	1.9480	26.85%	51.74%	8.28%	48.26%	91.72%
Nottingham Township	62.6	60.2	-3.9%	1,101,371	699,167	-36.5%	1.7580	1.1613	29.77%	46.97%	8.28%	16.12%	32.55%
Rockcreek Township	69.7	60.5	-13.2%	1,298,240	711,377	-45.2%	1.8624	1.1758	26.61%	42.72%	8.28%	21.09%	44.10%
Markle Town-Rockcreek Township	17.1	14.7	-13.7%	495,684	341,699	-31.1%	2.9017	2.3188	23.85%	51.47%	8.28%	29.72%	54.87%
Uniondale Town-Rockcreek Towns	4.7	3.4	-28.0%	102,909	54,698	-46.8%	2.1757	1.6051	25.44%	46.15%	8.28%	12.08%	24.83%
Union Township	87.4	71.8	-17.8%	1,615,683	835,187	-48.3%	1.8493	1.1634	26.68%	42.57%	8.28%	13.09%	26.49%
Markle Town-Union Township	2.5	1.7	-32.9%	72,483	38,886	-46.4%	2.8958	2.3138	23.85%	51.43%	8.28%	11.05%	22.19%
Uniondale Town-Union Township	1.0	1.1	4.2%	22,645	17,393	-23.2%	2.1698	1.6001	25.45%	46.08%	8.28%	53.92%	91.72%
Zanesville Town-Union Township	11.7	7.8	-33.3%	240,576	114,343	-52.5%	2.0643	1.4704	26.14%	45.98%	8.28%	14.80%	29.81%
<b>County Totals/Averages</b>	<b>1,365.8</b>	<b>1,190.7</b>	<b>-12.8%</b>	<b>29,225,576</b>	<b>17,942,389</b>	<b>-38.6%</b>	<b>2.1387</b>	<b>1.5060</b>	<b>25.25%</b>	<b>43.95%</b>	<b>8.28%</b>	<b>22.06%</b>	<b>43.95%</b>

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.

## Wells County 2009 Circuit Breaker Cap Credits

Taxing Unit	Total Levy	Circuit Breaker Credits by Property Type				
		(1.5%) Homesteads	(2.5%) Other Residential/ Farmland	(3.5%) All Other Real/Personal	Elderly	Total
Wells County	3,621,671	1	0	0	85	86
Chester Township	26,303	0	0	0	2	2
Harrison Township	107,580	0	0	0	1	1
Jackson Township	14,401	0	0	0	0	0
Jefferson Township	64,571	0	0	0	2	2
Lancaster Township	61,302	0	0	0	2	2
Liberty Township	35,322	0	0	0	0	0
Nottingham Township	56,466	0	0	0	0	0
Rockcreek Township	32,499	0	0	0	1	1
Union Township	26,963	0	0	0	0	0
Bluffton Civil City	2,348,216	0	0	0	63	63
Zanesville Civil Town	25,212	0	0	0	0	0
Markle Civil Town	167,484	0	0	0	60	60
Ossian Civil Town	410,963	0	0	0	1	1
Poneto Civil Town	26,200	3	0	0	22	25
Uniondale Civil Town	18,704	0	0	0	0	0
Vera Cruz Civil Town	2,166	0	0	0	0	0
Southern Wells Community School Corporation	1,539,979	0	0	0	32	32
Northern Wells Community School Corporation	4,440,835	0	0	0	145	145
M.S.D. Bluffton-Harrison School Corporation	3,466,506	4	0	0	28	31
Wells County Public Library	1,159,585	0	0	0	22	22
Markle Public Library	0	0	0	0	0	0
Huntington Library	38,775	0	0	0	14	14
Mideast Indiana Solid Waste Management District	0	0	0	0	0	0
Wells County Solid Waste District	103,983	0	0	0	2	2
<b>Total - All Taxing Units</b>	<b>17,795,686</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>481</b>	<b>489</b>

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.