

2009 WHITLEY COUNTY PROPERTY TAX REPORT

WITH COMPARISONS TO 2007 AND 2008

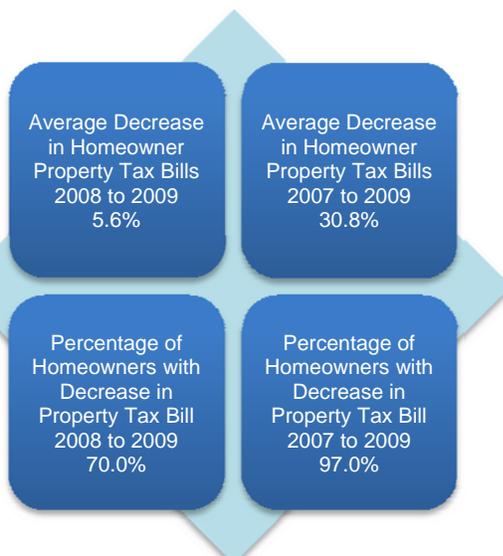


Legislative Services Agency

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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 Whitley 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	527	5.8%	94	1.0%
10% to 19%	445	4.9%	37	0.4%
1% to 9%	1,757	19.2%	134	1.5%
0%	15	0.2%	10	0.1%
-1% to -9%	1,988	21.7%	170	1.9%
-10% to -19%	2,620	28.6%	549	6.0%
-20% to -29%	971	10.6%	2,520	27.5%
-30% to -39%	373	4.1%	3,280	35.8%
-40% to -49%	107	1.2%	1,506	16.4%
-50% to -59%	95	1.0%	410	4.5%
-60% to -69%	76	0.8%	146	1.6%
-70% to -79%	66	0.7%	110	1.2%
-80% to -89%	43	0.5%	93	1.0%
-90% to -99%	27	0.3%	51	0.6%
-100%	47	0.5%	47	0.5%
Total	9,157	100.0%	9,157	100.0%
Higher Tax Bill	2,729	29.8%	265	2.9%
No Change	15	0.2%	10	0.1%
Lower Tax Bill	6,413	70.0%	8,882	97.0%
Average Change in Tax Bill	-5.6%		-30.8%	

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	Whitley County	State Average
Net Assessed Value, 2008 to 2009 (% change)	-17.5%	-14.3%
Gross Tax Levy, 2008 to 2009 (% change)	-40.5%	-30.6%
State PTRC Percentage, 2008	24.6%	20.1%
Total State Homestead Credit, 2008	42.0%	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. Homeowner tax bills in Whitley County decreased by 5.6%. Whitley County local units decreased their tax levies in 2009, and school general fund and county welfare levies were a larger-than-average share of Whitley County's levy in 2008. These changes resulted in a larger-than-average reduction in tax rates. But Whitley County taxpayers saw higher-than-average property tax replacement credit and state homestead credit rates in

2008. The loss of this tax relief offset some of the effect of lower tax rates. Whitley County did not adopt a local option income tax for property tax relief, and few Whitley County homeowners were eligible for the circuit breaker tax cap credits.

2009 Property Tax Changes:

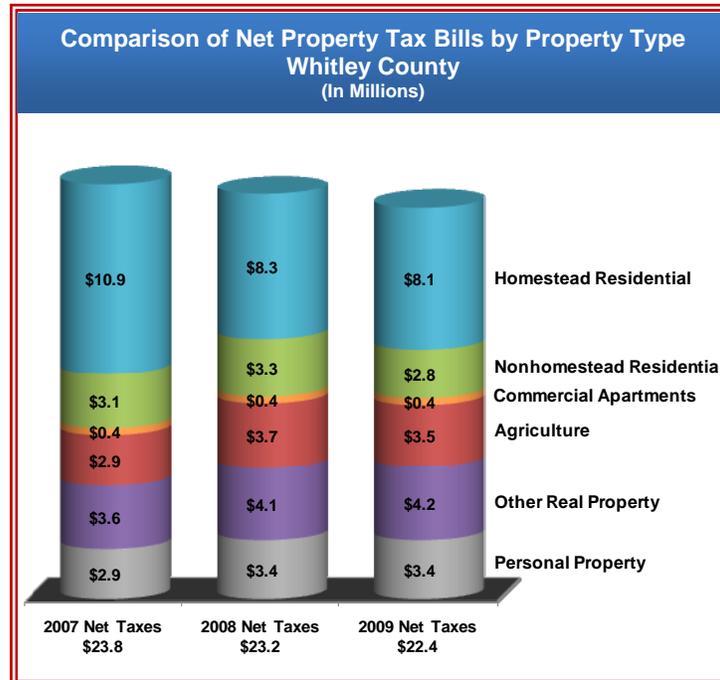
The state took over funding of school general funds, county welfare funds, and several smaller funds – Units where these funds were a large portion of the overall property tax received the greatest benefit.

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.

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



In Whitley County from 2008 to 2009, nonhomestead residential properties (small rentals and second homes) saw a 15.2% decline in average property tax bills. Average tax bills on commercial apartments were not significantly changed. Agricultural business real property (which includes farmland and farm buildings, but not homesteads) saw a 5.4% average tax decrease. Other commercial, industrial, and utility real property average tax bills increased 2.4%. Personal property, which is largely business equipment, saw almost no change 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 Whitley County \$7,603

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



Whitley 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	\$32,630,846	\$35,547,274	\$21,153,126	8.9%	-40.5%	-8.6%
State Unit	35,679	37,252	0	4.4%	-100.0%	
Whitley County	5,038,104	5,603,329	5,294,931	11.2%	-5.5%	8.1%
Cleveland Township	170,266	173,921	178,607	2.1%	2.7%	2.7%
Columbia Township	138,642	144,018	147,048	3.9%	2.1%	2.1%
Etna Troy Township	40,755	41,833	43,727	2.6%	4.5%	4.5%
Jefferson Township	88,408	90,491	88,937	2.4%	-1.7%	-1.7%
Richland Township	51,684	65,848	67,032	27.4%	1.8%	1.8%
Smith Township	100,311	104,535	102,808	4.2%	-1.7%	-1.7%
Thorncreek Township	131,188	242,251	192,440	84.7%	-20.6%	-20.6%
Union Township	74,567	70,116	69,136	-6.0%	-1.4%	-1.4%
Washington Township	83,603	71,619	80,175	-14.3%	11.9%	11.9%
Columbia City Civil City	2,067,652	2,114,647	2,040,780	2.3%	-3.5%	0.0%
Churubusco Civil Town	300,561	309,337	330,939	2.9%	7.0%	7.0%
Larwill Civil Town	21,365	22,725	22,924	6.4%	0.9%	0.9%
South Whitley Civil Town	253,173	263,985	277,311	4.3%	5.0%	5.0%
Whitko Community School Corporation	3,778,948	3,792,748	2,012,849	0.4%	-46.9%	-13.1%
Smith-Green Community School Corporation	2,621,623	2,749,166	1,326,596	4.9%	-51.7%	-8.4%
Whitley County Consolidated School Corp.	16,572,011	18,569,437	7,904,071	12.1%	-57.4%	-19.0%
Churubusco Public Library	60,085	46,057	47,183	-23.3%	2.4%	2.4%
Peabody Library	681,380	719,441	597,707	5.6%	-16.9%	-16.9%
South Whitley Public Library	320,841	314,518	327,925	-2.0%	4.3%	4.3%
Whitley County Solid Waste Management Dist.	0	0	0	0.0%	0.0%	0.0%
Whitley County Redevelopment Commission	0	0	0	0.0%	0.0%	0.0%
Columbia City 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.

Whitley 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
Cleveland Township	94.9	83.1	-12.4%	2,194,861	1,507,817	-31.3%	2.3136	1.8142	22.72%	39.86%	7.49%	1.75%	2.74%
South Whitley Town	47.6	37.4	-21.4%	1,364,641	955,913	-30.0%	2.8685	2.5558	22.03%	44.83%	7.49%	1.75%	2.74%
Columbia Township	101.1	82.3	-18.6%	2,238,251	1,216,334	-45.7%	2.2142	1.4786	25.34%	41.21%	7.49%	1.75%	2.74%
Columbia City	288.2	240.0	-16.7%	8,296,153	5,405,610	-34.8%	2.8786	2.2524	22.69%	43.66%	7.49%	1.75%	2.74%
Etna Troy Township	97.0	83.2	-14.3%	2,007,657	1,099,127	-45.3%	2.0693	1.3218	26.40%	41.12%	7.49%	1.75%	2.74%
Jefferson Township	145.7	118.9	-18.4%	3,043,033	1,597,867	-47.5%	2.0883	1.3434	26.17%	40.92%	7.49%	1.75%	2.74%
Richland Township	77.2	62.7	-18.8%	1,755,791	1,108,834	-36.8%	2.2745	1.7698	22.83%	39.53%	7.49%	1.75%	2.74%
Larwill Town	5.5	4.2	-22.7%	136,473	87,721	-35.7%	2.4965	2.0772	23.10%	43.46%	7.49%	1.75%	2.74%
Smith Township	166.2	135.5	-18.5%	2,907,462	1,741,268	-40.1%	1.7498	1.2854	27.68%	43.80%	7.49%	1.75%	2.74%
Churubusco Town	44.1	35.4	-19.7%	1,065,409	770,873	-27.6%	2.4147	2.1756	25.61%	50.85%	7.49%	1.75%	2.74%
Thorncreek Township	252.0	192.7	-23.5%	5,628,123	2,862,205	-49.1%	2.2334	1.4855	24.95%	40.51%	7.49%	1.75%	2.74%
Union Township	155.9	136.8	-12.2%	3,229,226	1,801,470	-44.2%	2.0710	1.3166	26.21%	40.65%	7.49%	1.75%	2.74%
Washington Township	71.3	63.6	-10.8%	1,515,562	886,917	-41.5%	2.1267	1.3948	25.94%	41.10%	7.49%	1.75%	2.74%
Columbia City/Union Township	6.2	5.6	-10.3%	177,512	124,133	-30.1%	2.8654	2.2343	22.73%	43.60%	7.49%	1.75%	2.74%
County Totals/Averages	1,552.8	1,281.3	-17.5%	35,560,153	21,166,090	-40.5%	2.2902	1.6499	24.63%	42.04%	7.49%	1.75%	2.74%

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.

Whitley 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	
Whitley County	5,294,931	25	635	0	719	1,378
Cleveland Township	178,607	0	228	0	39	266
Columbia Township	147,048	2	0	0	4	6
Etna Troy Township	43,727	0	0	0	0	0
Jefferson Township	88,937	0	0	0	0	0
Richland Township	67,032	0	0	0	0	0
Smith Township	102,808	0	0	0	46	46
Thorncreek Township	192,440	0	0	0	0	0
Union Township	69,136	0	0	0	0	0
Washington Township	80,175	0	0	0	22	22
Columbia City Civil City	2,040,780	51	0	0	103	155
Churubusco Civil Town	330,939	0	0	0	769	769
Larwill Civil Town	22,924	0	0	0	0	0
South Whitley Civil Town	277,311	0	1,140	0	194	1,334
Whitko Community School Corporation	2,012,849	0	1,651	0	281	1,932
Columbia Township School Corporation	0	0	0	0	0	0
Etna-Troy Township School Corporation	0	0	0	0	0	0
Jefferson Township School Corporation	0	0	0	0	0	0
Smith-Green Community School Corporation	1,326,596	0	0	0	907	907
Thorn Creek Township School Corporation	0	0	0	0	0	0
Union Township School Corporation	0	0	0	0	0	0
Washington Township School Corporation	0	0	0	0	0	0
Whitley County Consolidated School Corporation	7,904,071	52	0	0	264	317
Churubusco Public Library	47,183	0	0	0	32	32
Peabody Library	597,707	7	0	0	15	23
South Whitley Public Library	327,925	0	275	0	47	322
Whitley County Solid Waste Management District	0	0	0	0	0	0
Whitley County Redevelopment Commission	0	0	0	0	0	0
Columbia City Redevelopment Commission	0	0	0	0	0	0
TIF Districts	1,868,352	94	0	0	0	94
Total - All Taxing Units & TIF	23,021,478	232	3,928	0	3,444	7,603

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.