

2010 Property Tax Report

Whitley County

with comparisons between 2007 and 2010



Legislative Services Agency

July 2010

This report describes property tax changes in Whitley 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 Whitley 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 Whitley County

	2009 to 2010		2007 to 2010	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	5,708	63.8%	355	4.0%
No Change	55	0.6%	9	0.1%
Lower Tax Bill	3,187	35.6%	8,586	95.9%
Average Change in Tax Bill	1.1%		-30.0%	
Detailed Change in Tax Bill				
20% or More	205	2.3%	135	1.5%
10% to 19%	870	9.7%	111	1.2%
1% to 9%	4,633	51.8%	109	1.2%
0%	55	0.6%	9	0.1%
-1% to -9%	2,645	29.6%	284	3.2%
-10% to -19%	319	3.6%	855	9.6%
-20% to -29%	89	1.0%	2,291	25.6%
-30% to -39%	31	0.3%	2,859	31.9%
-40% to -49%	22	0.2%	1,372	15.3%
-50% to -59%	15	0.2%	454	5.1%
-60% to -69%	11	0.1%	154	1.7%
-70% to -79%	11	0.1%	99	1.1%
-80% to -89%	7	0.1%	90	1.0%
-90% to -99%	4	0.0%	57	0.6%
-100%	33	0.4%	71	0.8%
Total	8,950	100.0%	8,950	100.0%

The average homeowner saw a 1.1% tax bill increase from 2009 to 2010.

Homestead taxes in 2010 were still 30.0% lower than they were in 2007, before the property tax reforms.

95.9% of homeowners saw lower tax bills in 2010 than in 2007.

82.0% of homeowners saw tax changes ranging between +9% and -9% from 2009 to 2010.

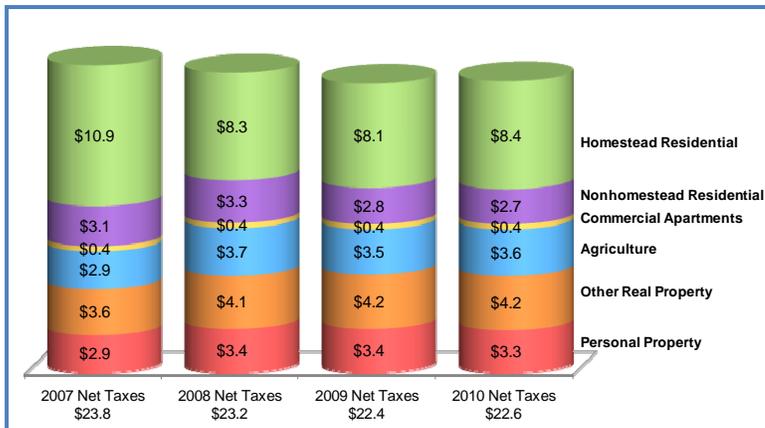
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2010.

Note: Percentages may not total due to rounding.

Whitley County Overview

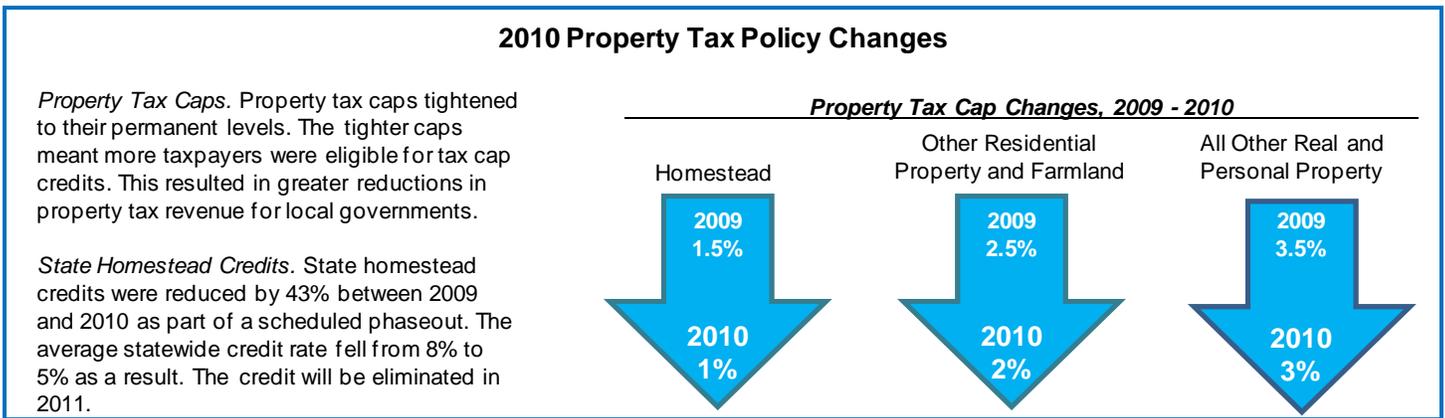
The slightly larger-than-average increase in homeowner tax bills occurred because Whitley County homeowners were less likely to benefit from the one percent tax cap than were homeowners in the average county. This was primarily because most Whitley County tax rates are lower than average. Property tax levies increased 2.3% in Whitley County in 2010, similar to the state average increase of 2.4%. The largest levy increases were for the Smith-Greene School Corporation debt service fund and the Peabody Library District debt service fund. The county unit saw declines in its general fund and lease rental fund levies.

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



Net tax bills for all taxpayers increased 0.9% in Whitley County from 2009 to 2010. This was higher than the statewide reduction of 1.4%. In 2010 apartment owners saw a 10.0% decrease in tax bills. This decrease was due mainly to the tightening of the tax caps from 2.5% to 2% for rental housing. The tightening of the tax caps also affected nonhomestead residential property (mostly small rental residences), which saw a 3.5% decrease in tax bills. Other real and personal property, mostly commercial and industrial land, buildings, and equipment, saw a 1.8% increase and 2.7% decrease, respectively, in tax bills in 2010. These changes in tax bills were mainly due to changes in assessed value. After deductions and exemptions, business real property net assessed value grew by 4.2%, while personal property net assessed value declined by

2.1%. Commercial and industrial property did not benefit from the tightened tax caps, because Whitley County's tax rates were not high enough for this type of property to qualify for tax cap credits. Agricultural business property saw a 2.6% increase in tax payments in 2010 because of the Whitley County tax levy increases and the 4% increase in the base rate of farmland, from \$1,200 to \$1,250 per acre.



Tax Cap Credits

Tax cap credits in Whitley County in 2010 amounted to 1.0% of the total property tax levy. The statewide average was 6.3%. The smaller percentage loss in the county was partly due to much lower-than-average tax rates in Whitley County. Tax rates in 5 of 14 total taxing districts exceeded \$2, so housing in the 2% cap category was eligible for credits in those districts. No commercial or industrial properties in the 3% tax cap category qualified for credits, because all Whitley County tax rates were under \$3. Whitley County tax rates were not high enough for a large share of homesteads to qualify for credits in the 1% category. A small amount of breaker credits was also allocated to low-income, elderly homeowners under the 2% annual growth limit for their net taxes.

**2010 Circuit Breaker Credits by Cap Category
Whitley County Total \$230,047**

1%	2%	3%	Elderly
\$16,279	\$197,262	\$0	\$16,506
7.1%	85.8%	0.0%	7.2%

Whitley County, Columbia City, and the Whitley County Consolidated School Corporation saw the largest revenue losses from the tax caps in 2010. As a percentage of total levies, the town of South Whitley lost the most, at 4.9%. Losses were greatest for units that overlapped the town of South Whitley because its tax district had the highest tax rate.

The Effects of Recession

In Whitley County the recession has had a large effect on the economy. The recession created upward pressure on property tax bills in several ways. The unemployment rate rose from 4.5% in December 2007 to 12.7% in July 2009. Despite job losses, local income tax revenue increased by 32.8% in CY2010 due to a one-time increase in the tax base.

Whitley County Gross Assessed Value by Property Type

Property Type	Gross AV 2009	Gross AV 2010	Gross AV Change
Homesteads	1,356,756,200	1,368,010,800	0.8%
Other Residential	144,589,900	150,027,000	3.8%
Ag Business/Land	233,521,300	241,554,900	3.4%
Business Real/Personal	660,581,270	712,851,740	7.9%
Total	\$2,395,448,670	\$2,472,444,440	3.2%

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 Whitley County, the gross assessed value of business real and personal property rose 7.9% in 2010. All other assessment categories also increased, and total gross assessed value in Whitley County rose 3.2%. 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.

Whitley County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	% Change		
					2007-2008	2008-2009	2009-2010
<i>County Total</i>	32,630,846	35,547,274	21,153,126	21,638,415	8.9%	-40.5%	2.3%
State Unit	35,679	37,252	0	0	4.4%	-100.0%	
Whitley County	5,038,104	5,603,329	5,294,931	4,985,159	11.2%	-5.5%	-5.9%
Cleveland Township	170,266	173,921	178,607	212,080	2.1%	2.7%	18.7%
Columbia Township	138,642	144,018	147,048	145,223	3.9%	2.1%	-1.2%
Etna Troy Township	40,755	41,833	43,727	43,425	2.6%	4.5%	-0.7%
Jefferson Township	88,408	90,491	88,937	87,293	2.4%	-1.7%	-1.8%
Richland Township	51,684	65,848	67,032	66,826	27.4%	1.8%	-0.3%
Smith Township	100,311	104,535	102,808	101,760	4.2%	-1.7%	-1.0%
Thorncreek Township	131,188	242,251	192,440	192,643	84.7%	-20.6%	0.1%
Union Township	74,567	70,116	69,136	67,928	-6.0%	-1.4%	-1.7%
Washington Township	83,603	71,619	80,175	78,571	-14.3%	11.9%	-2.0%
Columbia City Civil City	2,067,652	2,114,647	2,040,780	2,042,195	2.3%	-3.5%	0.1%
Churubusco Civil Town	300,561	309,337	330,939	324,445	2.9%	7.0%	-2.0%
Larwill Civil Town	21,365	22,725	22,924	22,882	6.4%	0.9%	-0.2%
South Whitley Civil Town	253,173	263,985	277,311	274,873	4.3%	5.0%	-0.9%
Whitko Community School Corp	3,778,948	3,792,748	2,012,849	2,174,700	0.4%	-46.9%	8.0%
Smith-Green Community School Corp	2,621,623	2,749,166	1,326,596	1,730,609	4.9%	-51.7%	30.5%
Whitley County Consolidated School Corp	16,572,011	18,569,437	7,904,071	7,906,277	12.1%	-57.4%	0.0%
Churubusco Public Library	60,085	46,057	47,183	48,106	-23.3%	2.4%	2.0%
Peabody Library	681,380	719,441	597,707	806,602	5.6%	-16.9%	34.9%
South Whitley Public Library	320,841	314,518	327,925	326,818	-2.0%	4.3%	-0.3%
Whitley County Solid Waste Mgt Dist	0	0	0	0			
Whitley County Redevelopment Comm	0	0	0	0			
Columbia City Redevelopment Comm	0	0	0	0			

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

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads	
				State Homestead	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		LOIT Residential
92001	Cleveland Township	1.8578	--	4.3842%	--	3.6574%	--	--	--	1.7084
92002	South Whitley Town	2.5925	--	4.3842%	--	3.6574%	--	--	--	2.3840
92003	Columbia Township	1.4535	--	4.3842%	--	3.6574%	--	--	--	1.3366
92004	Columbia City	2.2074	--	4.3842%	--	3.6574%	--	--	--	2.0299
92005	Etna Troy Township	1.2613	--	4.3842%	--	3.6574%	--	--	--	1.1599
92006	Jefferson Township	1.2822	--	4.3842%	--	3.6574%	--	--	--	1.1791
92007	Richland Township	1.7850	--	4.3842%	--	3.6574%	--	--	--	1.6415
92008	Larwill Town	2.0651	--	4.3842%	--	3.6574%	--	--	--	1.8990
92009	Smith Township	1.4790	--	4.3842%	--	3.6574%	--	--	--	1.3601
92010	Churubusco Town	2.3131	--	4.3842%	--	3.6574%	--	--	--	2.1271
92011	Thorncreek Township	1.4631	--	4.3842%	--	3.6574%	--	--	--	1.3454
92012	Union Township	1.2593	--	4.3842%	--	3.6574%	--	--	--	1.1580
92013	Washington Township	1.3316	--	4.3842%	--	3.6574%	--	--	--	1.2245
92014	Columbia City-Union Twp	2.1903	--	4.3842%	--	3.6574%	--	--	--	2.0142

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.

Whitley 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>	16,279	145,917	0	16,503		178,698	21,638,415	0.8%
<i>TIF Total</i>	0	1,060	0	3		1,063	1,709,592	0.1%
<i>County Total</i>	16,279	146,977	0	16,506		179,762	23,348,007	0.8%
Whitley County	2,894	23,849	0	3,264		30,007	4,985,159	0.6%
Cleveland Township	278	2,740	0	200		3,218	212,080	1.5%
Columbia Township	111	979	0	91		1,181	145,223	0.8%
Etna Troy Township	5	0	0	42		47	43,425	0.1%
Jefferson Township	52	0	0	34		87	87,293	0.1%
Richland Township	0	15	0	21		36	66,826	0.1%
Smith Township	7	265	0	120		391	101,760	0.4%
Thorncreek Township	0	0	0	58		58	192,643	0.0%
Union Township	14	11	0	0		26	67,928	0.0%
Washington Township	8	0	0	19		27	78,571	0.0%
Columbia City Civil City	3,847	29,685	0	1,392		34,924	2,042,195	1.7%
Churubusco Civil Town	222	9,005	0	1,690		10,917	324,445	3.4%
Larwill Civil Town	0	184	0	0		184	22,882	0.8%
South Whitley Civil Town	963	11,652	0	748		13,363	274,873	4.9%
Whitko Community School Corp	1,818	18,351	0	1,547		21,716	2,174,700	1.0%
Smith-Green Community School Corp	254	10,313	0	2,967		13,534	1,730,609	0.8%
Whitley County Consolidated School Corp	4,803	30,289	0	3,566		38,659	7,906,277	0.5%
Churubusco Public Library	7	287	0	82		376	48,106	0.8%
Peabody Library	717	5,530	0	422		6,669	806,602	0.8%
South Whitley Public Library	280	2,761	0	238		3,279	326,818	1.0%
Whitley County Solid Waste Mgt Dist	0	0	0	0		0	0	
Whitley County Redevelopment Comm	0	0	0	0		0	0	
Columbia City Redevelopment Comm	0	0	0	0		0	0	
TIF - Columbia City TIF	0	1,060	0	3		1,063	36,797	2.9%
TIF - Union TIF	0	0	0	0		0	1,672,796	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.