

# 2011 Property Tax Report

## Switzerland County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Switzerland County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Switzerland County

The average homeowner saw a 0.2% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were 20.6% lower than they were in 2007, before the property tax reforms.

85.0% of homeowners saw lower tax bills in 2011 than in 2007.

70.2% of homeowners saw tax decreases of 9% to increases of 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	850	43.1%	292	14.8%
No Change	52	2.6%	3	0.2%
Lower Tax Bill	1,069	54.2%	1,676	85.0%
<b>Average Change in Tax Bill</b>	<b>0.2%</b>		<b>-20.6%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	144	7.3%	157	8.0%
10% to 19%	65	3.3%	51	2.6%
1% to 9%	641	32.5%	84	4.3%
0%	52	2.6%	3	0.2%
-1% to -9%	691	35.1%	133	6.7%
-10% to -19%	267	13.5%	259	13.1%
-20% to -29%	45	2.3%	394	20.0%
-30% to -39%	19	1.0%	421	21.4%
-40% to -49%	16	0.8%	194	9.8%
-50% to -59%	4	0.2%	69	3.5%
-60% to -69%	11	0.6%	49	2.5%
-70% to -79%	5	0.3%	44	2.2%
-80% to -89%	5	0.3%	39	2.0%
-90% to -99%	4	0.2%	32	1.6%
-100%	2	0.1%	42	2.1%
<b>Total</b>	<b>1,971</b>	<b>100.0%</b>	<b>1,971</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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 LOSS OF STATE HOMESTEAD  
 CREDIT AND LOWER LOCAL  
 HOMESTEAD CREDITS RAISED  
 HOMEOWNER TAX BILLS  
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#### Homestead Property Taxes

Homestead property taxes increased 0.2% on average in Switzerland County in 2011. The increase was less than the state average of 4.4%. Switzerland County homestead taxes were still 20.6% lower in 2011 than they were in 2007, before the big tax reform. The smaller-than-average homestead tax increase from 2010 to 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 2.0% in Switzerland County in 2010. Tax rates were relatively low in Switzerland County, so very few homeowners received circuit breaker credits. This was a small decrease from 2010.

#### Tax Rates

Property tax rates increased in all Switzerland County tax districts. The average tax rate increased by 1.5% because of an increase in the levy coupled with a decline in net assessed value. Levies in Switzerland County increased by 1.1%. The biggest levy increases were in the county general and property reassessment funds. Switzerland County's total net assessed value decreased 0.9% in 2011. (The certified net AV used to compute tax rates declined by 0.4%.) Homestead and agricultural net assessments decreased by 1.4%, and 3.2%, respectively. Other residential assessments showed a small increase at 0.3%, while business net assessments increased by 0.5%.

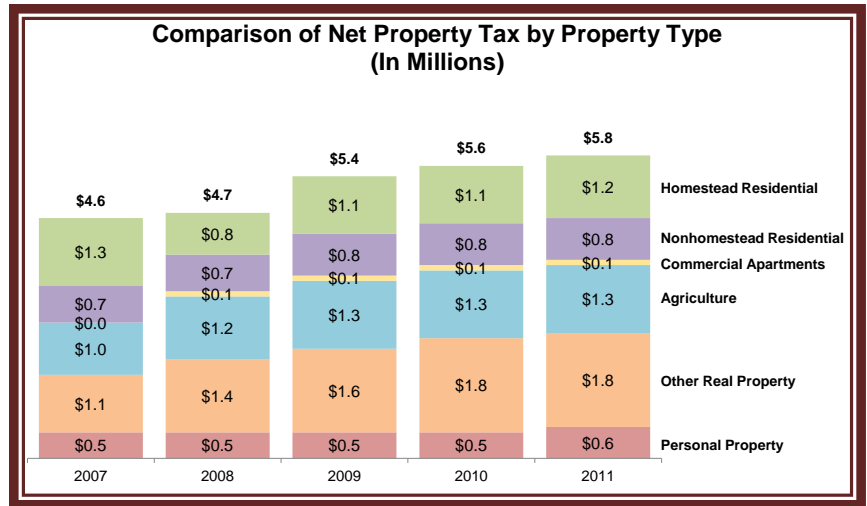
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TAX INCREASES FOR AGRICULTURE, OTHER  
RESIDENTIAL, AND BUSINESS; DECREASES  
FOR APARTMENTS

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 0.9% in Switzerland County in 2011, less than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 3.0%. Tax bills for commercial apartments fell 2.2%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 1.5%. Agricultural tax bills fell 1.3%. This was despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Agricultural tax bills fell 1.3%. This was despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.

### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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TAX CAP CREDITS DECREASED IN  
2011 AND REMAINED VERY SMALL

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Total tax cap credit losses in Switzerland County were \$8,273, or 0.1% of the levy. This was much less than the state average loss rate of 9.2% and much less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Switzerland County's tax rates were well below the state median.

Almost all of the total tax cap credits were in the elderly category. Losses as a percentage of the levy were small for all units, but largest for the town of Patriot. The largest dollar losses were in the Switzerland County School Corporation, the town of Vevay, and the county unit.

Switzerland County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$2,150	\$0	\$0	\$7,830	\$9,979	0.2%
2011 Tax Cap Credits	135	0	0	8,138	8,273	0.1%
<b>Change</b>	<b>-\$2,014</b>	<b>\$0</b>	<b>\$0</b>	<b>\$308</b>	<b>-\$1,706</b>	<b>0.0%</b>

Tax cap credits fell in Switzerland County in 2011 by \$1,706, or 17%. The reduced credits represent little

change in the share of the total tax levy received. The decrease in tax cap credits was in the 1% tax cap category, which covers homesteads.

### The Effect of Recession

The 2009 recession had a mixed effect on Switzerland County assessments for pay-2011. Agricultural assessments, homestead property values, and construction activity appear to have fallen in Switzerland County in 2009. Increases in business and other residential values partly offset this decline. The drop in total assessed value contributed to the rise in tax rates. Switzerland County's tax rates are so low, however, that rising rates do not have much effect on tax cap credit revenue losses.

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2009 RECESSION REDUCED OVERALL  
ASSESSMENTS IN 2011

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$275,070,936	\$272,399,432	-1.0%	\$111,588,432	\$110,003,361	-1.4%
Other Residential	54,087,500	54,187,063	0.2%	53,807,610	53,945,923	0.3%
Ag Business/Land	116,738,700	112,981,100	-3.2%	116,265,670	112,509,690	-3.2%
Business Real/Personal	204,991,814	207,383,588	1.2%	195,543,107	196,461,213	0.5%
<b>Total</b>	<b>\$650,888,950</b>	<b>\$646,951,183</b>	<b>-0.6%</b>	<b>\$477,204,819</b>	<b>\$472,920,187</b>	<b>-0.9%</b>

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

**Switzerland County Levy Comparison by Taxing Unit**

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	6,814,739	7,526,857	5,434,736	5,498,258	5,557,518	10.4%	-27.8%	1.2%	1.1%
State Unit	11,664	12,383	0	0	0	6.2%	-100.0%		
Switzerland County	1,905,600	1,986,878	1,846,307	1,913,415	1,959,215	4.3%	-7.1%	3.6%	2.4%
Cotton Township	19,589	19,608	21,713	22,511	23,050	0.1%	10.7%	3.7%	2.4%
Craig Township	17,749	17,867	19,398	20,234	20,747	0.7%	8.6%	4.3%	2.5%
Jefferson Township	37,201	37,365	40,251	42,118	43,168	0.4%	7.7%	4.6%	2.5%
Pleasant Township	18,332	19,102	20,519	21,282	21,797	4.2%	7.4%	3.7%	2.4%
Posey Township	18,830	18,906	20,228	21,104	21,649	0.4%	7.0%	4.3%	2.6%
York Township	35,793	34,563	39,797	41,197	36,729	-3.4%	15.1%	3.5%	-10.8%
Patriot Civil Town	6,537	6,317	6,857	7,316	7,508	-3.4%	8.5%	6.7%	2.6%
Vevay Civil Town	253,307	251,117	266,626	286,094	285,032	-0.9%	6.2%	7.3%	-0.4%
Switzerland County School Corp	4,313,233	4,933,402	2,950,175	2,912,808	2,919,188	14.4%	-40.2%	-1.3%	0.2%
Switzerland County Public Library	129,762	141,367	152,965	158,678	162,613	8.9%	8.2%	3.7%	2.5%
Southeastern Indiana Solid Waste Mgt Dist	47,142	47,982	49,900	51,501	56,822	1.8%	4.0%	3.2%	10.3%

**Switzerland County 2011 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
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	
78001	Cotton Township	1.1455	--	--	--	--	--	1.1455
78002	Craig Township	1.1633	--	--	--	--	--	1.1633
78003	Jefferson Township	1.1510	--	--	--	--	--	1.1510
78004	Vevay Town	1.7093	--	--	--	--	--	1.7093
78005	Pleasant Township	1.1480	--	--	--	--	--	1.1480
78006	Posey Township	1.1427	--	--	--	--	--	1.1427
78007	Patriot Town	1.3259	--	--	--	--	--	1.3259
78008	York Township	1.1251	--	--	--	--	--	1.1251

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 *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.

### Switzerland County 2011 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>	135	0	0	8,138	8,273	5,557,518	0.1%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	135	0	0	8,138	8,273	5,557,518	0.1%
Switzerland County	47	0	0	2,502	2,549	1,959,215	0.1%
Cotton Township	0	0	0	26	26	23,050	0.1%
Craig Township	0	0	0	13	13	20,747	0.1%
Jefferson Township	1	0	0	120	121	43,168	0.3%
Pleasant Township	2	0	0	17	19	21,797	0.1%
Posey Township	2	0	0	54	56	21,649	0.3%
York Township	0	0	0	7	7	36,729	0.0%
Patriot Civil Town	0	0	0	87	87	7,508	1.2%
Vevay Civil Town	7	0	0	1,304	1,311	285,032	0.5%
Switzerland County School Corp	71	0	0	3,727	3,798	2,919,188	0.1%
Switzerland County Public Library	4	0	0	208	212	162,613	0.1%
Southeastern Indiana Solid Waste Mgt Dist	1	0	0	73	74	56,822	0.1%

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.