

TAX MATTERS

AUGUST 7, 2008, Issue #08-32, by Bernard Ridens, Executive Director
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1. FLOOD NOTES AND TAXES
2. INDIANA CHAMBER LETTER TO GOVERNOR CANDIDATES
CONCERNING HOOSIER LOTTERY
3. UPCOMING EVENTS

REVIEW OF PAST TAX MATTERS

JULY 31, 2008 (#08-31)

- RATES ARE IN AND PUBLISHED
 - The rates for 2007 payable 2008 are now available - <http://members.aol.com/taxtopics/tax2008.xls>
- BAD NEWS – GOOD NEWS
 - Assessment Up – Trending; Taxes Down – HB 1001 Increases Homestead Credit

JULY 24, 2008 (#08-30)

- INDIANA'S CREDIT RATING HITS HISTORIC MARK
 - Indiana has received a "AAA" issuer credit rating from Standard and Poor's Rating Services for the first time in history
- COMPUTERS AND SUPER COMPUTERS
 - IU and Purdue's supercomputer will be useful to foster technology development and job growth in the state

JULY 17, 2008 (#08-29)

- ANOTHER FLOOD PHOTO AND IDEA
 - Should the long-range plan for EDIT dollars be re-evaluated and moved towards channeling Thompson Ditch directly to the Wabash?

JULY 10, 2008 (#08-28)

- TAX REALIGNMENT – PROPERTY TAX REDUCTION
 - The Department of Local Government Finance has just released the property tax rates and replacement credits to Vigo County. You may note that the rates have increased slightly, but the key to the reduction in property tax is the replacement credit.
- DO YOU HAVE FLOOD DAMAGE?
 - Properties structurally damaged by the recent flood qualifies for a reduction in assessment. Vigo County owners of such properties have until December 31, 2008 to file the attached form with the Vigo County Assessor - <http://www.in.gov/icpr/webfile/formsdiv/17592.pdf>

The Taxpayers Association is a not-for-profit organization supported by membership dues. Any citizen or group of citizens in Vigo County may be a member. Current members are encouraged to promote membership in the organization by giving the attached application to a potential member. [See the TA application and dues structure.](#) This is NOT an invoice for your dues.

1. FLOOD NOTES AND TAXES

Now that the flood water has diminished, and dusty yards are returning, it's time to give serious thought to the possibilities of future flooding in Vigo County. The impact of flooding should be a serious concern to each and every citizen of Vigo County and our neighboring counties. Economic causes are the reasons why. The many properties damaged or totally destroyed will reduce the total assessed value of the county and if spending remains constant, taxes will be higher for all property owners. It is imperative that all Vigo County elected and appointed officials begin to work together and find solutions that will minimize future damage due to heavy rainfall.

Here is a table of Wabash River flood crest records sorted three ways:

a) ranked by feet

RANK	FEET	MONTH	YEAR
1	31.10	3.27	1913
2	30.50	5.20	1943
3	28.00	3.15	1828
4	27.70	2.18	1883
5	27.65	1.16	1950
6	27.60	6.16	1958
7	27.38	1.16	2005
8	26.90	2.15	1959
9	26.70	8.03	1875
10	26.60	4.15	1858
10	26.60	2.26	1985
12	26.08	1.02	1991
13	25.70	3.27	1904
14	25.30	2.21	1867
15	25.16	6.08	2008
16	25.14	2.10	2008
17	25.03	7.13	2003
18	23.89	6.17	1998
19	22.98	6.18	2004
20	22.84	1.18	2005

b) ranked by month of the year

RANK	FEET	MONTH	YEAR
12	26.08	1.02	1991
20	22.84	1.08	2005
5	27.65	1.16	1950
7	27.38	1.16	2005
16	25.14	2.10	2008
8	26.90	2.15	1959
4	27.70	2.18	1883
14	25.30	2.21	1867
10	26.60	2.26	1985
3	28.00	3.15	1828
1	31.10	3.27	1913
13	25.70	3.27	1904
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6	27.60	6.16	1958
18	23.89	6.17	1998
19	22.98	6.18	2004
17	25.03	7.13	2003
9	26.70	8.03	1875

c) ranked by year

RANK	FEET	MONTH	YEAR
3	28.00	3.15	1828
10	26.60	4.15	1858
14	25.30	2.21	1867
9	26.70	8.03	1875
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It should be noted that 13 of the 20 record flood stages have occurred since 1943, with two in 2005 and two in 2008. It should also be noted that the recent flood encountered a 25-foot river. Could it be that the river could have handled more of this water if all ditches, channels and creeks were fully functional?

2. INDIANA CHAMBER LETTER TO GOVERNOR CANDIDATES CONCERNING HOOSIER LOTTERY

Dear Governor Daniels / Dear Ms. Thompson:

Your Charge to Invest in Our Workforce

Two of the greatest expectations of Indiana's governor are to be a good manager of public assets and to help prepare our state's greatest resource – its people – for the challenges of a 21st century economy.

Young students require access to emerging career opportunities. Many mid-career workers desperately need to upgrade their skills. Ensuring that Indiana has an always-ready workforce to power its economy will require significant state investment.

A lease of the Hoosier Lottery is the best way to find the necessary resources.

Indiana's economic prosperity cannot be secured without a dramatic increase in the educational and skills attainment of all Hoosiers. Nor can the perennial problem of lagging Hoosier incomes be addressed without a concerted effort to make the skill sets of our state's workers more valuable to potential employers.

The Indiana Chamber has well documented the workplace literacy and technological skills gap in Indiana. Research shows that nearly one million Hoosiers – a sixth of our state's population and nearly a third of our workforce – require some form of skills remediation or further education to remain competitive in today's job market. These are Hoosiers from all areas of the state caught in the whirlwind of an evolving economy. Today's job market is one that requires higher-order thinking and teamwork skills, technical expertise and computer literacy.

With current resources and programs serving only approximately 25,000 of those one million Hoosiers on an annual basis, funding is a prime concern. The looming, large-scale retirements of the baby boom generation add urgency to the task. While private sector partners should, and are, contributing to these training efforts, limited public sector dollars are available.

What could we expect from these investments? Research shows that an associate's degree increases a Hoosier worker's annual earnings by as much as \$8,400 on average, and that a bachelor's degree increases annual earnings by up to \$18,300. The impact is clear and compelling: Educational attainment raises Hoosier incomes and improves the quality of life in Indiana.

How can such an initiative be financed in a time when important demands compete for state budget funds?

In 2007, an innovative idea was offered that meets the criteria of good stewardship of public resources while enhancing educational and workforce opportunities for Hoosiers: Lease the state lottery to a private manager and use the financial proceeds to increase Hoosiers' educational attainment and, therefore, their economic value and earning potential.

Had it been enacted, this plan would have leased the lottery to a private manager through competitive bidding for a minimum \$1 billion up-front franchise payment and \$200 million annual payments for 30 years. We now know that more than a dozen firms were interested in bidding to run the lottery for the state and the up-front franchise fee would have exceeded \$2 billion.

We urge you to pursue a refinement of this proposal to lease the lottery. Given the dollars available and urgent training needs, it would be unconscionable not to use this valuable asset to improve the education and earning potential of Hoosiers. The arguments against leasing the lottery are dubious, at best, and the reasons for doing so remain compelling.

First, as a matter of consistency, state government should not own and operate the lottery; instead, it should license and regulate it just like the state's horse tracks, riverboat casinos, charitable and other forms of gaming. Only the Hoosier Lottery is owned and operated by the state and even now a full 85 percent of the lottery's operations are outsourced; there should be nothing sacred about the remaining 15 percent. The state would not be "selling" an asset, but instead hiring professionals to manage that asset and maximize the benefits for all Hoosiers.

Second, the lottery historically has generated annual proceeds of approximately \$170 million, but revenues have fluctuated dramatically over time (falling as much as 23 percent in 1991-92, for example) and understandably decreased when they were needed most – during tough economic times. A well-structured lease would have the lottery manager make the \$200 million annual payment and engage in profit-sharing with the state. The results are a stable funding source for public use, the elimination of downside risk in tough times and windfall profits as an upside potential for the state.

Third, the \$2 billion (or more) up-front franchise fee is urgently needed. It represents an enormous opportunity – one that cannot be ignored – to invest in our people.

Who are the people depending on this assistance?

It's Hoosiers who are proud graduates of our high schools. They went on to work in jobs that once offered steady employment and solid paychecks, but now lack stability. The assembly line abilities that were in demand for so many years now must be complemented by computer skills and other specialized training.

It's young people who are still preparing for their college education and future careers. We must enable them to take advantage of opportunities in the life sciences, advanced manufacturing, logistics and other industries that are proving to be dominant today and in the years to come.

These are the equivalent of the automotive – and before that agricultural – jobs that sustained our economy for decades.

Pursuing the same old workforce development strategies with the same, insufficient resources behind them will yield the same, unsatisfactory results. Simply put, we must all go back to school – literally, in the case of students and workers looking to upgrade their skills to accommodate a changing job market, and figuratively, in terms of how public officials look at this challenge.

There are convincing reasons to leverage the state's assets through a lease of the Hoosier Lottery, making it possible to invest in Indiana workers. There's no reason for maintaining the status quo when the success of our students and workers is at risk. We encourage you to think creatively and act boldly, making the most of this tremendous opportunity.

Sincerely,

The 125 members of the Board of Directors of the Indiana Chamber of Commerce, representing 4,800-plus member companies employing approximately 800,000 Hoosier workers.

3. UPCOMING EVENTS

The purpose of this calendar of events is to encourage taxpayers to attend public meetings. Taxpaying persons working at your business or living in your neighborhood should be encouraged to attend a meeting of their choice at least once per year. The date and time for the meetings listed below are always subject to change. The contact person is also listed. You should call the appropriate office and confirm the date and time if you plan to attend.

Date	Time	Upcoming Event	Location	Contact Info
Mon. Aug. 11	2:00 pm	Board of Public Works and Safety	City Hall – 1 st Floor	Robin 232-4767
Mon. Aug. 11	6:00 pm	West Terre Haute Town Board	500 W. Nat'l, WTH	Melody 533-2034
Mon. Aug. 11	6:30 pm	Local Emergency Planning Committee	Library – Main Branch	Jon 232-5411
Mon. Aug. 11	7:00 pm	Vigo County School Board	VCSC Board Room	Judy 462-4216
Tue. Aug. 12	9:00 am	County Commissioners	County Annex	Judy 462-3367
Tue. Aug. 12	4:15 pm	Vigo County Redevelopment Commission	County Annex	Amanda 234-2524
Tue. Aug. 12	7:00 pm	Seelyville Town Board	Seelyville Water Office	Tamara 877-2665
Wed. Aug. 13	10:00 am	Area Board of Zoning Appeals	County Annex	Bernard 235-1361
Wed. Aug. 13	4:30 pm	City Park Board – General Meeting	Deming Park	Eddie 232-2727
Wed. Aug. 13	7:00 pm	Airport Authority	Airport	Kara 877-2524
Thur. Aug. 14	7:00 pm	City Council – Regular Meeting	City Hall – Courtroom	Michelle 232-3375
Mon. Aug. 18	7:00 pm	Vigo County Public Library	Library – Main Branch	Nancy 232-1113
Tue. Aug. 19	9:00 am	County Commissioners	County Annex	Judy 462-3367
Tue. Aug. 19	10:00 am	City Board of Sanitary Commissioners	City Hall – 3 rd Floor	Sally 235-5458
Wed. Aug. 20	9:30 am	Clay-Owen-Vigo Solid Waste District	109 E. Nat'l, Brazil IN	Janet 800-387-3380
Wed. Aug. 20	4:00 pm	City Redevelopment Commission	City Hall – 1 st Floor	Phenny 232-0018
Thur. Aug. 21	1:30 pm	Tree Advisory Board	City Hall Mayor's Conf. Room	Jennifer 232-4028
Fri. Aug. 22	5:30 pm	Information Technology Advisory Board	City Hall – 1 st Floor	Brad 244-2316
Mon. Aug. 25	2:00 pm	Board of Public Works and Safety	City Hall – 1 st Floor	Robin 232-4767
Mon. Aug. 25	4:00 pm	County Park Board	County Annex	Julia 462-3391
Mon. Aug. 25	7:00 pm	Vigo County School Board	VCSC Board Room	Judy 462-4216
Tue. Aug. 26	9:00 am	County Commissioners	County Annex	Judy 462-3367
Tue. Aug. 26	5:00 pm	County Council	County Annex	Auditor 462-3361
Wed. Aug. 27	4:30 pm	City Park Board – Business Meeting	Deming Park	Eddie 232-2727
Wed. Aug. 27	7:00 pm	Airport Authority	Airport	Kara 877-2524

END

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