

TAX MATTERS

**JULY 15, 2009, Issue #09-28, by Bernard Ridens, Executive Director
Taxpayers Association of Vigo County, Inc.**

7 S Meadows Shopping Center
phone (812) 235-1361 TAXTOPICS@AOL.COM *fax* (812) 234-0568
www.taxtopics.org

- 1. AIRPORT TAX – WHERE IS IT?**
- 2. TRENDING WORKSHOP DATE**
- 3. TA BOARD MEETING**
- 4. PROPERTY TAX DEDUCTIONS**
- 5. STRATEGIES FOR GOVERNMENT EFFICIENCY: WHERE DID OUR TAXES GO?**
- 6. PUBLIC MEETINGS**
- 7. SOME FOOD FOR THOUGHT**

REVIEW OF PAST TAX MATTERS

JULY 9, 2009 (#09-27)

- **YOUR OPINION PLEASE – COUNTY SERVICES?**
 - As most Vigo County budgets for 2010 are being reduced due to lower revenue, it is obvious that some services must be reduced or eliminated. The Taxpayers Association can and should provide input to Vigo County budget builders concerning services we could or could do without.
- **THE TRANSITION**
 - How the decrease in land-based phones and increase in wireless/cell phones is affecting surcharges for E-911 service
- **A PIECE OF U.S. HISTORY**
 - Information on the Stamp Act of 1765

JULY 2, 2009 (#09-26)

- **TAX STATEMENTS**
 - It was reported by the media that tax statements would be mailed by June 30th. However, due to computer glitches, the mailing date is now projected to be July 10th.
- **CITY PLANNER AT NEIGHBORHOOD PARTNERSHIP MEETING**
 - The latest Terre Haute Neighborhood Partnership Steering Committee met June 23, 2009. City Planner Pat Martin spoke in this meeting.

JUNE 26, 2009 (#09-25)

- **TA WEB SITE UNVEILED TO MEMBERSHIP**
 - www.taxtopics.org
- **CIRCUIT BREAKER CHART**
 - 2008 PAY 2009 Vigo County Circuit Breaker Report, provided by the Indiana Department of Local Government Finance. Nearly \$5.4 million of circuit breaker credit has been given to property owners this year.

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.

1. AIRPORT TAX – WHERE IS IT?

Now that tax statements have been mailed for Vigo County properties, questions are abundant.

One such question concerns the airport. Although the airport is not shown on table three (property tax distribution amounts applicable), tax deductions for the airport are hidden in the line named Special District.

I have asked why this has been done and have been promised an answer by the end of the week.

Meanwhile, the total airport rate for Vigo County taxpayers is **.0334** (a 17.1 % increase). The airport rate for 2008 was **.0285**. To determine the amount you are paying for the airport, multiply the net assessed value (line 3 table 1) by .0334 and divide by 100.

Example: The airport tax for a **\$100,000** net assessment would be **\$33.40**. The balance of dollars shown as special district is most often for fire protection.

2. TRENDING WORKSHOP DATE

Response was very good for the idea of an education workshop on the trending process.

We have made arrangements for a quest presenter from the DLGF (department of local government finance) to be in Terre Haute on **Wednesday, August 12 at 2:00 P.M.** If held at the Vigo County Public Library, seating will be limited to 40. However, if more interest is shown, we will find a location where we can accommodate more people. This is initially for members only.

3. TA BOARD MEETING

The next Taxpayers Association board meeting will be this Tuesday, July 21 at 12:00 noon at the Thompson Thrift office at 901 Wabash Avenue. All members are welcome to attend. Reservations are required due to it being a luncheon meeting.

4. PROPERTY TAX DEDUCTIONS

From the Indiana Department of Local Government Finance: www.in.gov/dlgf/2344.htm

Deductions

Deductions work by reducing the amount of assessed value a taxpayer pays on a given parcel of property. Application for deductions are due not later than December 31 annually. Taxpayers do not need to reapply for deductions annually. Reapplication should only occur if the property is sold, the title is changed or the home is refinanced (mortgage deduction only).

Deductions applied for prior to the annual December 31 deadline will be applied to the next year's tax bill. For example, a homeowner who applies for a deduction by December 31, 2008 will see the deduction applied to his 2008pay2009 tax bill.

To learn about the state's most common deductions and the associated eligibility requirements of each, see the links below. The forms required for filing for the deductions also can be found below. Personal property deduction forms can be found by clicking [HERE](#).

County Auditors are the best point of contact for questions regarding deductions and eligibility.

General Information

- [Mortgage Deduction from Assessed Valuation Memo](#) - July 8, 2009
- [Homestead Standard Deduction from Assessed Valuation Memo](#) - July 8, 2009
- [2009 pay 2010 Property Tax Deductions Slides](#) - Revised July 8, 2009
- [2008 pay 2009 Property Tax Deductions Slides](#) - Revised March 11, 2009
- [Property Tax Deductions Memo](#) - June 9, 2008
- [Property tax deductions & credits fact sheet](#)
- [Homestead Standard Deduction and Other Deductions Frequently Asked Questions](#) - Revised March 6, 2009
- [Spring 2009 Auditor's Conference Q&A](#) - June 9, 2009
- [Fall 2008 Auditor's Conference Q&A](#)
- [Changes to Sales Disclosure Form Memo](#)
- [Indiana Handbook of Taxes, Revenues, and Appropriations](#)
- [Indiana Property Tax Benefits](#)
- [Abatement Deduction Schedule](#)

Homestead Credit/Standard Deduction

- [Homestead Standard Deduction from Assessed Valuation Memo](#) - July 8, 2009
- [Homestead Standard Deduction – Personal Property Mobile Home with Real Estate Guidance](#)
- [Homestead Standard Deduction - Credit for Pay 2009](#)
- [Homestead Credit Rebate](#)
- [Homestead Standard Deduction and Other Deductions Frequently Asked Questions](#) - Revised March 6, 2009
- [Homestead Deduction Form](#)

Over 65 Deduction and Over 65 Circuit Breaker Credit

- [Over 65 Deduction and Over 65 Circuit Breaker Credit Frequently Asked Questions](#)
- [Over 65 Deduction and Over 65 Circuit Breaker Credit Form \(income limits apply\)](#)

Investment Deductions

- [Investment Deductions Fact Sheet](#)
- [Investment Deductions and Abatements PowerPoint](#) - January 2007
- [Enterprise Zone Investment Deduction Application \(Form EZ-2\)](#)

Deduction Forms

- [Disabled Person Deduction Form](#)
- [Disabled Veteran Deduction Form](#)
- [Geothermal, Solar, Wind or Hydroelectric Deduction Form](#)
- [Homestead Deduction Form](#)
- [Historical Rehabilitated Property Deduction Form](#)
- [Mortgage Deduction Form](#)
- [Over 65 Deduction and Over 65 Circuit Breaker Credit Form \(income limits apply\)](#)
- [Veteran Deductions Form](#)

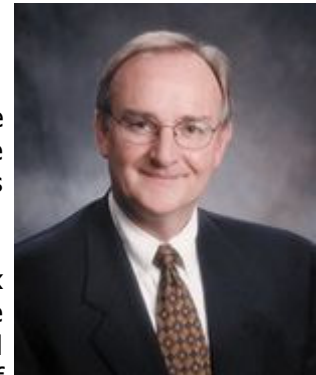
5. STRATEGIES FOR GOVERNMENT EFFICIENCY: WHERE DID OUR TAXES GO?

By Gary Malone

Part 1 in a series

Can local governments continue to provide the same level of service with a **half billion dollar reduction** in income? That is the question local entities should ask as they plan services and budgets for the future.

Unfortunately the \$500 million reduction in statewide property tax collections projected by the Legislative Services Agency is just the reduction from the full implementation of property tax caps. Actual revenue losses for local governments will be greater for a number of reasons, including:



- **Expansion of the homestead exemption** -- The new state 35 percent homestead exemption is reducing property tax revenues from fixed rate funds, such as cumulative capital development funds, by 10 to 25 percent
- **Reduction in income tax collections** -- The State of Indiana reports that individual income tax collections declined by 23 percent for the first four months of 2009. Your county income taxes are based upon the same taxable income as the State's. Assuming that revenue from local income taxes in your area will be similarly affected, that gives you less revenue for operating costs and capital expenditures. It also gives you less revenue for property tax relief. And we know that less money for property tax relief means higher property taxes and more tax revenue lost to the property tax caps.

In addition, depending on your situation, your tax revenue may be affected by:

- trending – which can go down as well as up,
- delays in collecting and distributing property taxes, and
- property tax delinquencies.

Strong cash reserves can help withstand these fluctuations, so managing your reserves is crucial.

Nearly every unit of government is facing the challenge of how to do more (or even just stay the same) with less revenue. The debate always focuses on efficiency. But what does efficiency really mean? It means much more than simply cutting your budget. Strategies for Government Efficiency must include:

- managing revenues efficiently,
- finding opportunities for cost efficiencies,
- providing services efficiently through consolidation,
- managing capital expenditures and
- growing your tax base.

The next article in this series will cover managing revenues efficiently. We'll explain how some fine tuning of the mix of local income taxes could help you increase spendable tax revenue without increasing income tax rates.

If you have questions or need assistance dealing with reduced funding, please contact us at footnotes@umbaugh.com.

Source: *Umbaugh Footnotes*



6. PUBLIC MEETINGS

The purpose of this calendar 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. Organizations that are underlined have a web page that can be accessed by clicking on their respective hyperlinks. The contact person is also listed. You should call the appropriate office and confirm the date and time if you plan to attend.

<i>Date</i>	<i>Time</i>	<i>Public Meeting</i>	<i>Location</i>	<i>Contact Info</i>
Mon. Jul. 20	5:30 pm	<u>Human Relations Commission</u>	Booker T. Washington Center	Jeff 232-0110
Mon. Jul. 20	7:00 pm	<u>Vigo County Public Library</u>	Library – Main Branch	Nancy 232-1113
Tue. Jul. 21	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Jul. 21	10:00 am	<u>City Board of Sanitary Commissioners</u>	City Hall – 3 rd Floor	Sally 235-5458
Tue. Jul. 21	12:00 noon	<u>Taxpayers Association Board Meeting</u>	Thompson Thrift (901 Wabash, 3rd Floor)	Bernard 235-1361
Wed. Jul. 22	4:30 pm	<u>City Park Board – Business Meeting</u>	Deming Park	Eddie 232-2727
Wed. Jul. 22	5:30 pm	<u>Information Technology Advisory Board</u>	City Hall – 1 st Floor	Brad 244-2316
Wed. Jul. 22	7:00 pm	<u>Airport Authority</u>	Airport	Kara 877-2524

Mon.	Jul. 27	2:00 pm	<u>Board of Public Works and Safety</u>	City Hall – Board of Public Works Room	Robin	232-4767
Mon.	Jul. 27	4:00 pm	<u>County Park Board</u>	County Annex	Julia	462-3391
Mon.	Jul. 27	5:30 pm	Terre Haute Housing Authority	2001 N. 19 th Street	Jeff	232-1381
Mon.	Jul. 27	7:00 pm	<u>Vigo County School Board</u>	VCSC Board Room	Judy	462-4216
Tue.	Jul. 28	9:00 am	<u>County Commissioners</u>	County Annex	Judy	462-3367
Tue.	Jul. 28	5:00 pm	<u>County Council</u>	County Annex	Auditor	462-3361
Mon.	Aug. 3	4:00 pm	<u>Vigo County Drainage Board</u>	County Annex	David	898-2685
Mon.	Aug. 3	4:30 pm	Animal Control Board	City Hall – 1 st Floor		
Mon.	Aug. 3	6:30 pm	<u>Local Emergency Planning Committee</u>	Library – Main Branch	Jon	232-5411
Mon.	Aug. 3	6:30 pm	Riley Town Board	Riley Town Hall	Wanda	894-2410
Tue.	Aug. 4	9:00 am	<u>County Commissioners</u>	County Annex	Judy	462-3367
Tue.	Aug. 4	10:00 am	<u>City Board of Sanitary Commissioners</u>	City Hall – 3 rd Floor	Sally	235-5458
Tue.	Aug. 4	4:30 pm	Honey Creek Conservancy District	3241 S. 3 rd Place	Craig	232-4311
Wed.	Aug. 5	9:00 am	<u>City Board of Zoning Appeals</u>	City Hall – 1 st Floor Conf. Room	Judy	462-3367
Wed.	Aug. 5	7:00 pm	<u>County Area Planning Commission</u>	County Annex	Vickie	462-3354
Thur.	Aug. 5	7:00 pm	<u>City Council – Sunshine Meeting</u>	City Hall – Courtroom	Michelle	232-3375

7. SOME FOOD FOR THOUGHT

*Yesterday is history.
Tomorrow is a mystery.
Today is a gift from God.
That's why it's called the present.*

END

Disclaimer: This message is intended for the use of the person or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this information is strictly prohibited. Erroneous transmission or receipt of the information contained herein shall not constitute a waiver of any applicable privilege. If you have received this document by error, please notify us immediately and destroy the related message.