

## **TAX MATTERS**

**OCTOBER 22, 2009, Issue #09-42, by Bernard Ridens, Executive Director  
Taxpayers Association of Vigo County, Inc.**

7 S Meadows Shopping Center

phone (812) 235-1361

[TAXTOPICS@AOL.COM](mailto:TAXTOPICS@AOL.COM)

fax (812) 234-0568

[www.taxtopics.org](http://www.taxtopics.org)

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### **REVIEW OF PAST TAX MATTERS**

**OCTOBER 15, 2009 (#09-41)**

- **BENNETT AIMS TO IMPROVE MATH EDUCATION**
  - According to the 2009 National Assessment of Educational Progress, Indiana fourth and eighth graders outscored the national average in mathematics, but the results have shown little improvement from previous years.
- **TAXING SERVICES COULD YIELD INDIANA \$6.8 BILLION**
  - According to the Indiana Fiscal Policy Institute study, Indiana could raise as much as another \$6.76 billion annually if it extended its sales tax to include all service transactions.

**OCTOBER 8, 2009 (#09-40)**

- **NATIONAL SURVEY ON THE IRS AND THE GRADUATED INCOME TAX**
  - I need your input on whether the nation should go to an alternative tax system or whether the nation should keep the current income tax system, as is
- **HUMAN RELATIONS COMMISSION**
  - An overview from the Terre Haute Human Relations Commission Annual Report

**OCTOBER 1, 2009 (#09-39)**

- **THIRTY-YEAR SALARY COMPARISON**
  - Salaries of local public officials in 1979 and 2009
- **CITY PARKS ON FACEBOOK**
  - The Terre Haute Parks Department has setup a Facebook account to promote the Park's general information to the public.

**SEPTEMBER 24, 2009 (#09-38)**

- **TAX TOPICS**
  - You can find the newest Tax Topics at <http://www.taxtopics.org/TaxTopicsFall2009HQ.pdf>
- **THE BLUEBERRY STORY**
  - An account from public speaker Jamie Vollmer

The Taxpayers Association is a not-for-profit 501(c)(4) 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. WHAT IS NEXT FOR INDIANA MUNICIPALITIES?

The following link is to an article by Gretchen Gutman of Taft Stettinius & Hollister LLP of Indianapolis. Her email address is [GGutman@taftlaw.com](mailto:GGutman@taftlaw.com). This article talks about the Indiana Distressed Board created in 2008, how it would become ineffective if the General Assembly ratifies property tax circuit breakers into the State Constitution, and the limited options Indiana's municipalities will have when they experience revenue shortfall.

Article: <http://www.imaweb.com/TaxTalk.asp#Circuit>

## 2. THE MARKETS

*The following is from Love Financial Service's Weekly Market Commentary*

The good news is the Dow Jones Industrial Average rose above 10,000 last week. The bad news is it first rose above 10,000 more than 10 years ago - March 1999 to be specific.

A lot has changed in those 10 years! Let's look at a few differences between 1999 and today, according to Peter Boockvar, equity strategist at Miller Tabak as reported in a Yahoo! Finance article.

- Total U.S. public debt was about \$5.6 trillion back in March 1999 versus about \$12.0 trillion today, according to the Treasury Department. By contrast, U.S. gross domestic product has only grown from \$11 trillion in 1999 to about \$13 trillion today.
- In fiscal 1999, the U.S. had a budget *surplus* of \$125 billion. In fiscal 2009, we had a budget *deficit* of \$1.4 trillion, according to the Congressional Budget Office.
- Unemployment was 4.2% in March 1999. Last month it was 9.8%, according to the Bureau of Labor Statistics.
- The value of the U.S. dollar has dropped about 25% since 1999 against a basket of currencies. This means that it costs us about 25% more to buy foreign denominated goods and services than it would have had the dollar maintained its value.
- The DJ-UBS Commodity index was in the upper 70s in March 1999. Last week it closed at 134, which indicates prices for commodities have risen significantly, according to Dow Jones.
- Gold was about \$280 per ounce in early 1999. Today it is over \$1,000.
- Oil was selling for about \$16.50 a barrel in early 1999. Today it is over \$75 a barrel.

The numbers above show that as our country has gone deeper into debt over the past 10 years, the stock market has flat lined and the value of the dollar has declined significantly, while hard assets such as gold and oil have more than tripled in value and commodities in general have risen in the high double digits. Unlike in the "rock, paper, scissors" game of our childhood, the financial markets are telling us rock (hard assets) beats paper (currency and IOUs).

### 3. 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.

<b>Date</b>	<b>Time</b>	<b>Public Meeting</b>	<b>Location</b>	<b>Contact Info</b>
Thur. Oct. 22	4:15 pm	<u>Vigo County Redevelopment Commission</u>	County Annex	Amanda 234-2524
Mon. Oct. 26	4:00 pm	<u>County Park Board</u>	County Annex	Julia 462-3391
Mon. Oct. 26	5:30 pm	<b>Terre Haute Housing Authority</b>	2001 N. 19 <sup>th</sup> Street	Jeff 232-1381
Mon. Oct. 26	6:00 pm	<u>City Council – Special Call</u>	City Hall – Courtroom	Michelle 232-3375
Mon. Oct. 26	7:00 pm	<u>Vigo County School Board</u>	VCSC Board Room	Judy 462-4216
Tue. Oct. 27	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Oct. 27	2:00 pm	<u>Board of Public Works and Safety</u>	City Hall – Board of Public Works Room	Robin 232-4767
Tue. Oct. 27	5:00 pm	<u>County Council</u>	County Annex	Auditor 462-3361
Wed. Oct. 28	4:30 pm	<u>City Park Board – Business Meeting</u>	Deming Park	Eddie 232-2727
Wed. Oct. 28	5:30 pm	<u>Information Technology Advisory Board</u>	City Hall – 1 <sup>st</sup> Floor	Brad 244-2316
Wed. Oct. 28	7:00 pm	<u>Airport Authority</u>	Airport	Kara 877-2524
Mon. Nov. 2	6:30 pm	<u>Local Emergency Planning Committee</u>	Vigo County Public Library	Jon 232-5411
Mon. Nov. 2	6:30 pm	<b>Riley Town Board</b>	Riley Town Hall	Wanda 894-2410
Tue. Nov. 3	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Nov. 3	10:00 am	<u>City Board of Sanitary Commissioners</u>	City Hall – 3 <sup>rd</sup> Floor	Sally 235-5458
Tue. Nov. 3	4:30 pm	<b>Honey Creek Conservancy District</b>	3241 S. 3 <sup>rd</sup> Place	Craig 232-4311
Wed. Nov. 4	9:00 am	<u>City Board of Zoning Appeals</u>	City Hall – 1 <sup>st</sup> Floor Conf. Room	Judy 462-3367
Wed. Nov. 4	7:00 pm	<u>County Area Planning Commission</u>	County Annex	Vickie 462-3354
Thur. Nov. 5	7:00 pm	<u>City Council – Sunshine Meeting</u>	City Hall – Courtroom	Michelle 232-3375
Mon. Nov. 9	2:00 pm	<u>Board of Public Works and Safety</u>	City Hall – Board of Public Works Room	Robin 232-4767
Mon. Nov. 9	6:00 pm	<b>West Terre Haute Town Board</b>	500 W. Nat'l, WTH	Melody 533-2034
Mon. Nov. 9	7:00 pm	<u>Vigo County School Board</u>	VCSC Board Room	Judy 462-4216
Tue. Nov. 10	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Nov. 10	4:15 pm	<u>Vigo County Redevelopment Commission</u>	County Annex	Amanda 234-2524
Tue. Nov. 10	4:30 pm	<u>City Park Board – General Meeting</u>	Deming Park	Eddie 232-2727
Tue. Nov. 10	7:00 pm	<b>Seelyville Town Board</b>	Seelyville Water Office	Tamara 877-2665
Thur. Nov. 12	7:00 pm	<u>City Council – Regular Meeting</u>	City Hall – Courtroom	Michelle 232-3375
Tue. Nov. 17	12:00 noon	<u>Taxpayers Association Board Meeting</u>	Terre Haute Bowling Center, 600 E. Springfield Dr.	Bernard 235-1361

## 4. TAX QUESTIONS AND PROBLEMS

Here is a tax-related question for you to answer and compete for most questions answered correctly during a three-month period. The purpose of this topic is to encourage readership of *Tax Matters* and improve taxation and government education in our community. Send your answers anytime to the following email address: [taxtopics@aol.com](mailto:taxtopics@aol.com) or reply to this issue. We will tally the correct answers and the correct answer will be given next week.

No correct answers were submitted to last week's problem. Here is the problem again with some additional information eliminating a little research on your part.

Given: A property in Harrison Township  
2008 Assessed Value: \$175,000  
Mortgage Exemption: \$3,000  
Homestead Mortgage: 45,000  
Harrison Township Rate: 3.6348%  
Homestead Credit: 7.5406%  
Homestead Supplemental Credit: 35%  
0.5 acre lot  
Find the **annual** tax due and payable 2009.

## 5. TAX QUOTE OF THE WEEK

*"I am thankful for the taxes I pay because it means that  
I'm employed"*  
*- Nancie J. Carmody*

**END**

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