

TAX MATTERS

**DECEMBER 3, 2009, Issue #09-47, 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. HERE IS YOUR ANNUAL REPORT**
- 2. 2010 INVOICES**
- 3. SENSIBLE "HOMESTEAD" LEGAL DEFINITION NEEDED**
- 4. PUBLIC MEETINGS**
- 5. TAX QUESTIONS AND PROBLEMS**
- 6. QUOTE OF THE WEEK**

REVIEW OF PAST TAX MATTERS

NOVEMBER 19, 2009 (#09-46)

- **WHAT YOUR TAX BILL TELLS YOU**
 - An article by Purdue professor Larry DeBoer
- **DRUG MAKERS RAISE PRICES IN FACE ON HEALTH CARE REFORM**
 - New York Times article by Duff Wilson -
<http://www.nytimes.com/2009/11/16/business/16drugprices.html>

NOVEMBER 12, 2009 (#09-45)

- **2009 VIGO COUNTY PROPERTY TAX REPORT**
 - The Indiana Legislative Services Agency produced reports on every county detailing the changes in property tax bills and the distribution of tax levies. You can find the five-page Vigo County Property Tax Report here:
<http://www.in.gov/legislative/pdf/VIGO09.PDF>.
- **RECOVERY ZONE BONDS – PART 2**
 - Second part of a series by Umbaugh Footnotes on Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds
- **THEORY ON CEO SALARIES**
 - Chief executives in 35 of the top Fortune 500 companies were overpaid by about 129 times their "ideal salaries" in 2008, according to a new type of theoretical analysis proposed by a Purdue University researcher to determine fair CEO compensation

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. HERE IS YOUR ANNUAL REPORT

The Annual Report is complete. It will be posted on the Taxpayers Association web site, www.taxtopics.org, today. Please check this site. Members may have upon request a free copy via CD or paper. If you wish to receive a copy, please e-mail the request to Bernard Ridens, taxtopics@aol.com.

Non-members may purchase a paper copy for \$8.00 plus approximately \$3.50 for postage and handling or a CD for \$3.00, plus \$3.00 for shipping and handling.

2. 2010 INVOICES

The invoices for 2010 dues were mailed Tuesday. We have received one payment on Thursday and four today. Thank you! Thank you! Thank you!

3. SENSIBLE "HOMESTEAD" LEGAL DEFINITION NEEDED

by Watchdog Indiana

Please contact your State Senator and State Representative and ask them to change the Indiana Code to include a more sensible legal definition of "Homestead."

Information on how to identify and contact your State Senator and State Representative can be found at http://www.finplanneducation.net/general_assembly_ratings.htm.

The Indiana Code currently states that a "Homestead" consists of a dwelling and not more than one acre of real estate immediately surrounding that dwelling. The definition of "Dwelling" is limited to a house and garage.

What this limited homestead definition means is that a County Assessor cannot legally recognize a backyard storage building, a gazebo, a swimming pool, and a swing set as part of someone's homestead.

The ramification of this situation is that the house and garage is included in the 1% homestead property tax cap while all other homestead improvements fall under the 3% cap.

The Indiana Code definition of "Homestead" should be changed to include all non-commercial real AND personal property improvements within not more than one acre of real estate immediately surrounding an individual's principal place of residence.

To identify how this sensible change in the homestead definition would affect homeowners, consider the example of a homeowner who builds and furnishes a detached woodshop within the acre of land immediately surrounding his house. The homeowner uses the woodshop to build furniture for himself and his family. The woodshop is non-commercial because none of the furniture built by the homeowner is sold to anyone. For property tax purposes, the woodshop and its contents (including woodworking equipment) under the changed homestead definition would be sensibly included in the 1% homestead property tax cap. However, under the current Indiana Code homestead definition, the woodshop and its contents can be taxed up to 3% of assessed value.

Our state legislators clearly need to change the Indiana Code to include a more sensible legal definition of "Homestead."

[Watchdog Indiana](http://www.watchdogindiana.org) is a non-profit, non-connected, and non-party advocate for good government that focuses on the state and local tax burden of Hoosier working families.

4. 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>
Thur. Dec. 3	6:30 pm	<u>City Council – Sunshine Meeting</u> (Special Call on Sign Ordinance)	City Hall – Courtroom	Michelle 232-3375
Mon. Dec. 7	4:00 pm	<u>Vigo County Drainage Board</u>	County Annex	David 898-2685
Mon. Dec. 7	4:30 pm	Animal Control Board	City Hall – 1 st Floor	
Mon. Dec. 7	6:30 pm	Riley Town Board	Riley Town Hall	Wanda 894-2410
Tue. Dec. 8	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Dec. 8	4:15 pm	<u>Vigo County Redevelopment Commission</u>	County Annex	Amanda 234-2524
Tue. Dec. 8	7:00 pm	Seelyville Town Board	Seelyville Water Office	Tamara 877-2665
Wed. Dec. 9	2:00 pm	<u>E-911 Advisory Board</u>	County Jail – Sheriff's Training Room	Greg 462-3226 ext. 320
Wed. Dec. 9	4:30 pm	<u>City Park Board – General Meeting</u>	Deming Park	Eddie 232-2727
Wed. Dec. 9	7:00 pm	<u>Airport Authority</u>	Airport	Kara 877-2524
Wed. Dec. 9	7:00 pm	<u>City Council – Regular Meeting</u> (Changed from Thursday)	City Hall – Courtroom	Michelle 232-3375
Mon. Dec. 14	2:00 pm	<u>Board of Public Works and Safety</u>	City Hall – Board of Public Works Room	Robin 232-4767
Mon. Dec. 14	6:00 pm	West Terre Haute Town Board	500 W. Nat'l, WTH	Melody 533-2034
Mon. Dec. 14	7:00 pm	<u>Vigo County School Board</u>	VCSC Board Room	Judy 462-4216
Tue. Dec. 15	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Dec. 15	10:00 am	<u>City Board of Sanitary Commissioners</u>	City Hall – 3 rd Floor	Sally 235-5458
Wed. Dec. 16	9:30 am	Clay-Owen-Vigo Solid Waste District	109 E. Nat'l, Brazil IN	Janet 800-387-3380
Wed. Dec. 16	10:00 am	<u>County Board of Zoning Appeals</u>	County Annex	Judy 462-3367
Wed. Dec. 16	4:00 pm	<u>City Redevelopment Commission</u>	City Hall – 1 st Floor	Phenny 232-0018
Thur. Dec. 17	2:00 pm	Tree Advisory Board	City Hall Mayor's Conf. Room	Jennifer 232-4028
Mon. Dec. 21	5:30 pm	<u>Human Relations Commission</u>	Booker T. Washington Center	Jeff 232-0110
Mon. Dec. 21	7:00 pm	<u>Vigo County Public Library</u>	Vigo County Public Library	Nancy 232-1113
Tue. Dec. 22	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Dec. 22	5:00 pm	<u>County Council</u>	County Annex	Auditor 462-3361

5. 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 or reply to this issue. We will tally the correct answers and the correct answer to the current problem will be given in the next edition.

The correct answer to the last edition's problem was \$4,375 (due to the 2.5% cap; the gross uncapped annual taxes would've been \$6,361).

Here is this week's problem:

Given: A commercial property in Harrison Township (City of Terre Haute)
March 1, 2008 Assessed Value: \$175,000
Mortgage Exemption: Does not apply
Homestead Mortgage: Does not apply
Terre Haute Harrison Township Rate: 3.6348%
Homestead Credit: Does not apply
Homestead Supplemental Credit: Does not apply
0.5 acre lot
3.5% cap
Find the annual tax due and payable 2009.

6. QUOTE OF THE WEEK

"There's nothing wrong with the younger generation that becoming taxpayers won't cure."
- Dan Bennett

END

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