

TAX TOPICS

A Publication of the Taxpayers Association of Vigo County, Inc. Summer 2011
**All references in this publication can be found on our website:*
www.taxtopics.org.

2011 TAX RATES ARE PUBLISHED

This year's property tax rates were published in the *Tribune-Star* back in April. If you would like a readable copy you may access one on the Taxpayers Association website by following this link – <http://www.taxtopics.org/TM2011/2011tab-actual.pdf>.

TA BOARD MEMBER ELECTION

At the 75th Anniversary of the Taxpayers Association Annual Meeting, held April 20, 2011, the following board members were elected to new three-year terms that will expire in 2014:

Marla Ames	First Financial Bank
Greg Bishop	Garmong/Hannum
David Wright	Duke Energy
John Hilderbrand	Herbalife
Kim Dillion	Dillion Properties
Eric McGlone	Novelis Corporation
Tom Templeton	Templeton Coal Co., Inc.
Paul Thiemann	Thiemann Office Properties, Inc.
Mark Zimmerly	Zimmerly Development, Inc.

The Taxpayers Association has retained its officers for 2011. Here are their names:

President	Vicki Barrett
1 st Vice-President	John Ragle
2 nd Vice-President	John Hilderbrand
Secretary	Marla Ames
Treasurer	Amy Cleveland

7 S Meadows Shopping Center Terre Haute, IN 47803
 Phone: 812.235.1361 E-mail: taxtopics@aol.com
 Web: www.taxtopics.org

DEBOER PRESENTS AT ANNUAL MEETING AND WORKSHOP

Dr. Larry DeBoer, professor of agricultural economics at Purdue University and an expert on state and local public policy, was the speaker at the 75th Anniversary meeting of the Taxpayers Association. DeBoer spoke on “Indiana’s Property Tax After the Constitutional Caps: How Are They Working and What Comes Next?”

In his presentation, he explained how the property tax assessed on a median priced homestead is distributed to the various entities, and the effect of the tax cap of 1% for homesteads on this distribution. He examined the credits (loss of income due to the cap) generated for each taxing unit in Vigo County, compared this loss to the levy, and determined the percent of lost income. For the full text of his presentation, follow <http://www.taxtopics.org/PTax.pdf>

The workshop session, “Recession and Indiana’s Local Governments”, was held immediately after the board meeting. Dr. DeBoer explained the process by which maximum levy growth quotients are calculated, and the effect of a recession year such as 2009 on the levy. He also explained the problem with CAGIT collections and distributions over the course of several years. More CAGIT money has been distributed than has been collected, resulting in a need to withhold distributions from counties until the balance is even. For the full text of the handout presented at the workshop, follow <http://www.taxtopics.org/Recession.pdf>.

**PROPERTY TAX CAPS - CITY VS. NON-CITY
\$100,000, \$150,000, \$200,000 AV PROPERTY COMPARISON**

The following study was done as an investigation on property tax contributions related to homestead tax caps of 1% pertaining to Terre Haute City versus Non Terre Haute City homestead property.

The average rates of the twenty township areas that do not include Terre Haute City property and the five township areas that include Terre Haute City property were calculated for each entity receiving property tax dollars. A chart for Gross AV’s of \$100,000, \$150,000, and \$200,000 was prepared taking into account that each AV represents a homestead with a \$45,000 Standard Homestead Deduction and a 35% Supplemental Homestead Deduction. Contributions are based on the Net AV of the property.

If you wish to receive further information or explanation of this topic, please feel free to contact The Taxpayers Association of Vigo County at 812.235.1361 or taxtopics@aol.com.

Other information relating specifically to property tax in Vigo County and generally to property tax in Indiana is available on our web site at www.taxtopics.org.

VIGO COUNTY TAX RATES CHARGED FOR YEAR 2010 PAYABLE IN YEAR 2011		\$100,000 AV Non-City of TH Average			\$100,000 AV City of TH Average		
		Non-TH Average	Before 1% CAP Circuit Breaker	After 1% CAP Circuit Breaker	TH Average	Before 1% CAP Circuit Breaker	After 1% CAP Circuit Breaker
	County General	0.5696	\$203.63	\$203.63	0.5696	\$203.63	\$163.29
	Cumulative Bridge	0.0268	\$9.58	\$9.58	0.0268	\$9.58	\$7.68
	County Health	0.0313	\$11.19	\$11.19	0.0313	\$11.19	\$8.97
	Co. Park & Recreation	0.0291	\$10.40	\$10.40	0.0291	\$10.40	\$8.34
	Prop. Tax Reassessment	0.0166	\$5.93	\$5.93	0.0166	\$5.93	\$4.76
County	Jail Bond	0.0168	\$6.01	\$6.01	0.0168	\$6.01	\$4.82
Rates	Cumulative Capital Dev.	0.0158	\$5.65	\$5.65	0.0158	\$5.65	\$4.53
	Courthouse Bond	0.0020	\$0.72	\$0.72	0.0020	\$0.72	\$0.57
	TOTAL COUNTY	0.7080	\$253.11	\$253.11	0.7080	\$253.11	\$202.96
	Township Fund	0.0183	\$6.54	\$6.54	0.0096	\$3.44	\$2.76
Civil	Township Fire	0.0109	\$3.88	\$3.88	0.0000	\$0.00	\$0.00
Township	Township Assistance	0.0133	\$4.75	\$4.75	0.0135	\$4.83	\$3.88
Rates	Township Recreation	0.0007	\$0.24	\$0.24	0.0000	\$0.00	\$0.00
	Loan Fund	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
	Cumulative Fire	0.0039	\$1.41	\$1.41	0.0000	\$0.00	\$0.00
	TOTAL TOWNSHIP	0.0471	\$16.82	\$16.82	0.0231	\$8.27	\$6.63
Fire	Fire Protection District	0.1247	\$44.59	\$44.59	0.0000	\$0.00	\$0.00
Protection	Fire Protection Dist. Debt	0.0147	\$5.24	\$5.24	0.0000	\$0.00	\$0.00
District	Fire Protection Dist. Cum. Fire	0.0126	\$4.51	\$4.51	0.0000	\$0.00	\$0.00
Rates	TOTAL FIRE PROTECTION DIST.	0.1520	\$54.35	\$54.35	0.0000	\$0.00	\$0.00
	School General	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
School	Capital Projects	0.3488	\$124.70	\$124.70	0.3488	\$124.70	\$99.99
Rates	School Transportation	0.1375	\$49.16	\$49.16	0.1375	\$49.16	\$39.42
	Debt Service	0.2069	\$73.97	\$73.97	0.2069	\$73.97	\$59.31
	Bus Replacement Fund	0.0448	\$16.02	\$16.02	0.0448	\$16.02	\$12.84
	TOTAL SCHOOL	0.7380	\$263.84	\$263.84	0.7380	\$263.84	\$211.56
Library	Library Opr. Fund	0.1398	\$49.98	\$49.98	0.1398	\$49.98	\$40.08
Rates	TOTAL LIBRARY	0.1398	\$49.98	\$49.98	0.1398	\$49.98	\$40.08
	Airport Authority	0.0330	\$11.80	\$11.80	0.0330	\$11.80	\$9.46
Airport	Airport Cum. Bldg.	0.0021	\$0.75	\$0.75	0.0021	\$0.75	\$0.60
Rates	TOTAL AIRPORT	0.0351	\$12.55	\$12.55	0.0351	\$12.55	\$10.06
	Corporation General	0.1054	\$37.66	\$37.66	1.3502	\$482.70	\$387.06
	Park Maintenance	0.0000	\$0.00	\$0.00	0.1299	\$46.44	\$37.24
City	Police Pension	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
Towns	Fire Pension	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
and	Cemetery	0.0000	\$0.00	\$0.00	0.0320	\$11.44	\$9.17
Special	Parking Garage	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
Taxing	Transit	0.0000	\$0.00	\$0.00	0.0134	\$4.79	\$3.84
District	Motor Vehicle Highway	0.0000	\$0.00	\$0.00	0.0717	\$25.63	\$20.55
Rates	Sani. Dist. Bond	0.0665	\$23.76	\$23.76	0.2215	\$79.19	\$63.50
	Cum Development	0.0000	\$0.00	\$0.00	0.0256	\$9.15	\$7.34
	TOTAL CITY & TOWN	0.1718	\$61.42	\$61.42	1.8443	\$659.34	\$528.70
	Conservancy Dist.	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
	TOTAL PROPERTY TAX	1.9918	\$712.06	\$712.06	3.4883	\$1,247.08	\$1,000.00

VIGO COUNTY TAX RATES CHARGED FOR YEAR 2010 PAYABLE IN YEAR 2011		\$150,000 AV Non-City of TH Average			\$150,000 AV City of TH Average		
		Non-TH Average	Before 1% CAP Circuit Breaker	After 1% CAP Circuit Breaker	TH Average	Before 1% CAP Circuit Breaker	After 1% CAP Circuit Breaker
	County General	0.5696	\$388.75	\$388.75	0.5696	\$388.75	\$244.93
	Cumulative Bridge	0.0268	\$18.29	\$18.29	0.0268	\$18.29	\$11.52
	County Health	0.0313	\$21.36	\$21.36	0.0313	\$21.36	\$13.46
	Co. Park & Recreation	0.0291	\$19.86	\$19.86	0.0291	\$19.86	\$12.51
	Prop. Tax Reassessment	0.0166	\$11.33	\$11.33	0.0166	\$11.33	\$7.14
County	Jail Bond	0.0168	\$11.47	\$11.47	0.0168	\$11.47	\$7.22
Rates	Cumulative Capital Dev.	0.0158	\$10.78	\$10.78	0.0158	\$10.78	\$6.79
	Courthouse Bond	0.0020	\$1.37	\$1.37	0.0020	\$1.37	\$0.86
	TOTAL COUNTY	0.7080	\$483.21	\$483.21	0.7080	\$483.21	\$304.44
	Township Fund	0.0183	\$12.48	\$12.48	0.0096	\$6.57	\$4.14
Civil	Township Fire	0.0109	\$7.41	\$7.41	0.0000	\$0.00	\$0.00
Township	Township Assistance	0.0133	\$9.08	\$9.08	0.0135	\$9.23	\$5.81
Rates	Township Recreation	0.0007	\$0.47	\$0.47	0.0000	\$0.00	\$0.00
	Loan Fund	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
	Cumulative Fire	0.0039	\$2.69	\$2.69	0.0000	\$0.00	\$0.00
	TOTAL TOWNSHIP	0.0471	\$32.12	\$32.12	0.0231	\$15.79	\$9.95
Fire	Fire Protection District	0.1247	\$85.14	\$85.14	0.0000	\$0.00	\$0.00
Protection	Fire Protection Dist. Debt	0.0147	\$10.00	\$10.00	0.0000	\$0.00	\$0.00
District	Fire Protection Dist. Cum. Fire	0.0126	\$8.62	\$8.62	0.0000	\$0.00	\$0.00
Rates	TOTAL FIRE PROTECTION DIST.	0.1520	\$103.75	\$103.75	0.0000	\$0.00	\$0.00
	School General	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
School	Capital Projects	0.3488	\$238.06	\$238.06	0.3488	\$238.06	\$149.99
Rates	School Transportation	0.1375	\$93.84	\$93.84	0.1375	\$93.84	\$59.13
	Debt Service	0.2069	\$141.21	\$141.21	0.2069	\$141.21	\$88.97
	Bus Replacement Fund	0.0448	\$30.58	\$30.58	0.0448	\$30.58	\$19.26
	TOTAL SCHOOL	0.7380	\$503.69	\$503.69	0.7380	\$503.69	\$317.34
Library	Library Opr. Fund	0.1398	\$95.41	\$95.41	0.1398	\$95.41	\$60.11
Rates	TOTAL LIBRARY	0.1398	\$95.41	\$95.41	0.1398	\$95.41	\$60.11
Airport	Airport Authority	0.0330	\$22.52	\$22.52	0.0330	\$22.52	\$14.19
Rates	Airport Cum. Bldg.	0.0021	\$1.43	\$1.43	0.0021	\$1.43	\$0.90
	TOTAL AIRPORT	0.0351	\$23.96	\$23.96	0.0351	\$23.96	\$15.09
	Corporation General	0.1054	\$71.90	\$71.90	1.3502	\$921.51	\$580.59
	Park Maintenance	0.0000	\$0.00	\$0.00	0.1299	\$88.66	\$55.86
City	Police Pension	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
Towns	Fire Pension	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
and	Cemetery	0.0000	\$0.00	\$0.00	0.0320	\$21.84	\$13.76
Special	Parking Garage	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
Taxing	Transit	0.0000	\$0.00	\$0.00	0.0134	\$9.15	\$5.76
District	Motor Vehicle Highway	0.0000	\$0.00	\$0.00	0.0717	\$48.94	\$30.83
Rates	Sani. Dist. Bond	0.0665	\$45.35	\$45.35	0.2215	\$151.17	\$95.25
	Cum Development	0.0000	\$0.00	\$0.00	0.0256	\$17.47	\$11.01
	TOTAL CITY & TOWN	0.1718	\$117.26	\$117.26	1.8443	\$1,258.73	\$793.06
	Conservancy Dist.	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
	TOTAL PROPERTY TAX	1.9918	\$1,359.39	\$1,359.39	3.4883	\$2,380.79	\$1,500.00

VIGO COUNTY TAX RATES CHARGED FOR YEAR 2010 PAYABLE IN YEAR 2011		\$200,000 AV Non-City of TH Average			\$200,000 AV City of TH Average		
		Non-TH Average	Before 1% CAP Circuit Breaker	After 1% CAP Circuit Breaker	TH Average	Before 1% CAP Circuit Breaker	After 1% CAP Circuit Breaker
	County General	0.5696	\$573.87	\$571.95	0.5696	\$573.87	\$326.57
	Cumulative Bridge	0.0268	\$27.00	\$26.91	0.0268	\$27.00	\$15.37
	County Health	0.0313	\$31.53	\$31.43	0.0313	\$31.53	\$17.95
	Co. Park & Recreation	0.0291	\$29.32	\$29.22	0.0291	\$29.32	\$16.68
	Prop. Tax Reassessment	0.0166	\$16.72	\$16.67	0.0166	\$16.72	\$9.52
County	Jail Bond	0.0168	\$16.93	\$16.87	0.0168	\$16.93	\$9.63
Rates	Cumulative Capital Dev.	0.0158	\$15.92	\$15.87	0.0158	\$15.92	\$9.06
	Courthouse Bond	0.0020	\$2.02	\$2.01	0.0020	\$2.02	\$1.15
	TOTAL COUNTY	0.7080	\$713.31	\$710.92	0.7080	\$713.31	\$405.92
	Township Fund	0.0183	\$18.42	\$18.36	0.0096	\$9.69	\$5.52
Civil	Township Fire	0.0109	\$10.94	\$10.90	0.0000	\$0.00	\$0.00
Township	Township Assistance	0.0133	\$13.40	\$13.35	0.0135	\$13.62	\$7.75
Rates	Township Recreation	0.0007	\$0.69	\$0.69	0.0000	\$0.00	\$0.00
	Loan Fund	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
	Cumulative Fire	0.0039	\$3.96	\$3.95	0.0000	\$0.00	\$0.00
	TOTAL TOWNSHIP	0.0471	\$47.41	\$47.25	0.0231	\$23.31	\$13.27
	Fire Protection District	0.1247	\$125.68	\$125.26	0.0000	\$0.00	\$0.00
Fire	Fire Protection Dist. Debt	0.0147	\$14.76	\$14.71	0.0000	\$0.00	\$0.00
Protection	Fire Protection Dist. Cum. Fire	0.0126	\$12.72	\$12.68	0.0000	\$0.00	\$0.00
District	TOTAL FIRE PROTECTION DIST.	0.1520	\$153.16	\$152.64	0.0000	\$0.00	\$0.00
Rates			\$0.00				
	School General	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
School	Capital Projects	0.3488	\$351.42	\$350.24	0.3488	\$351.42	\$199.98
Rates	School Transportation	0.1375	\$138.53	\$138.07	0.1375	\$138.53	\$78.83
	Debt Service	0.2069	\$208.45	\$207.75	0.2069	\$208.45	\$118.62
	Bus Replacement Fund	0.0448	\$45.14	\$44.99	0.0448	\$45.14	\$25.69
	TOTAL SCHOOL	0.7380	\$743.54	\$741.05	0.7380	\$743.54	\$423.12
	Library Opr. Fund	0.1398	\$140.85	\$140.38	0.1398	\$140.85	\$80.15
Library	TOTAL LIBRARY	0.1398	\$140.85	\$140.38	0.1398	\$140.85	\$80.15
Rates			\$0.00				
	Airport Authority	0.0330	\$33.25	\$33.14	0.0330	\$33.25	\$18.92
Airport	Airport Cum. Bldg.	0.0021	\$2.12	\$2.11	0.0021	\$2.12	\$1.20
Rates	TOTAL AIRPORT	0.0351	\$35.36	\$35.25	0.0351	\$35.36	\$20.12
	Corporation General	0.1054	\$106.15	\$105.79	1.3502	\$1,360.33	\$774.12
	Park Maintenance	0.0000	\$0.00	\$0.00	0.1299	\$130.87	\$74.48
City	Police Pension	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
Towns	Fire Pension	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
and	Cemetery	0.0000	\$0.00	\$0.00	0.0320	\$32.24	\$18.35
Special	Parking Garage	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
Taxing	Transit	0.0000	\$0.00	\$0.00	0.0134	\$13.50	\$7.68
District	Motor Vehicle Highway	0.0000	\$0.00	\$0.00	0.0717	\$72.24	\$41.11
Rates	Sani. Dist. Bond	0.0665	\$66.95	\$66.72	0.2215	\$223.16	\$126.99
	Cum Development	0.0000	\$0.00	\$0.00	0.0256	\$25.79	\$14.68
	TOTAL CITY & TOWN	0.1718	\$173.09	\$172.51	1.8443	\$1,858.13	\$1,057.41
	Conservancy Dist.	0.0000	\$0.00	\$0.00	0.0000	\$0.00	\$0.00
	TOTAL PROPERTY TAX	1.9918	\$2,006.71	\$2,000.00	3.4883	\$3,514.50	\$2,000.00

HEALTH BILL IN ITS ENTIRETY – AT THE TA OFFICE

Health Bill HR 3962 is very similar to HR 3200 with a few major differences. The Taxpayers Association has a copy of the entire text of each of these two bills HR 3200 and HR 3962. A list of the differences as summarized by Health Affairs may be viewed at <http://www.familydocs.org/files/Crosswalk2.pdf> . If you wish to study the contents of one or both of these bills, they are available for loan. Contact Bernard to make arrangements (812.235.1361 or taxtopics@aol.com).

PUBLIC ACCESS HANDBOOK

The Handbook on Indiana's Public Access Laws has recently been updated. The new version is available at http://www.in.gov/pac/files/pac_handbook.pdf and is among the links featured on our website: <http://www.taxtopics.org/apps/links/>.

NEW MAPLE AVENUE CITY PARK

The new city park at the intersection of Maple Avenue and US 41 (around the former Lakeview Nursing Home site) is under construction. During May's city parks meeting, a Purdue landscape architecture student named Lauren Kay Smith gave a presentation describing her and the City Parks and Recreation Department's evaluation of the possible design for the new park. The plan would be for this park to be created within the next year. The following are links to materials that were passed out and/or viewed during the meeting:

500 Maple Avenue City Park Presentation -

http://www.taxtopics.org/MaplePark/500Maple_Project_Presentation-Final-May2011.pdf

500 Maple Avenue City Park Report -

http://www.taxtopics.org/MaplePark/Pagesfrom500Maple_ProjectReport-Final-May2011.pdf

Press Release - http://www.taxtopics.org/MaplePark/ute-Former_Lakeview_Nursing_Home-Maple_Street_Pond_Park.pdf

Brownfields Recognition Award for Maple Street Pond Park Project -

<http://www.taxtopics.org/MaplePark/00MapleAvenue-USEPABrownfieldsRecognitionAward-April2011.pdf>

THE TAXPAYERS TAB

Here is a web site you will find to be interesting. It is managed by the National Taxpayers Union Foundation. Each week they publish the most expensive bill and the least expensive bill passed by the United States Congress.

The Taxpayers Tab - <http://www.ntu.org/ntuf/taxpayerstab.html>

RAILROAD STUDY

Please study the web and do the survey.

The first public input meeting of the **Terre Haute Urbanized Area Railroad Corridor Study** was held Tuesday, June 28, at the local Girl Scout Headquarters at 6:00 P.M. An article about this meeting was published June 29 section A3 in the *Tribune-Star* and written by Arthur Foulkes. At the peak of the meeting, I counted 48 people present, most, of which were committee members such as me or presenters and elected officials. This was a disappointing attendance by the citizens of Terre Haute and Vigo County. This was an excellent opportunity to let ideas be heard or vent frustrations. All of us working on the study truly want to hear from as many people as possible. Please go to this website www.terrehauteurailstudy.com and read many documents about this study and do the survey by clicking on the box on the right side of the home page. The survey will require less than six minutes of your time. A federal earmark of \$450,000 is being spent on this study and it is very likely that something will be done to improve the rail crossing situation in Terre Haute and Vigo County. The results will only be as good as the best ideas brought forward. Millions of taxpayer dollars will be spent on railroad crossing improvements in the local urbanized area.

The next public meeting for this study is scheduled to be held in November 2011.

LIBRARY QUESTION

SHOULD THE WEST TERRE HAUTE BRANCH OF THE VIGO COUNTY PUBLIC LIBRARY BE CLOSED, MOVED, REMODELED, OR NEWLY BUILT?

All of these options except closing will cost all the taxpayers of Vigo County. Please send your opinion to the Taxpayers office or any board member.

Note – The majority of people living in the West Branch area actually live closer to the main library branch than Vigo County citizens living in the townships outside of Harrison.

At the July Taxpayers Association Board Meeting, the board decided that they would not support tax dollars being used for a new West Terre Haute Branch Public Library.

INFORMATIONAL TAX READING

Here are three great sources of information regarding the new laws passed by the 2011 Indiana Legislature. Go to the following sources and find useful information regarding your property taxes now and in the future. Each of these sources will then give you many additional topics to click on and learn about tax issues that affect your business.

Tax Notes by Bill Waltz - Indiana Chamber of Commerce

<http://tinyurl.com/6dzkw35>

Inside Indiana Business by Gerry Dick - Indiana Chamber of Commerce

www.insideindianabusiness.com/newsitem.asp?id=48503

Farmland Values expected to Rise by Craig Dobbins – Purdue University

www.insideindianabusiness.com/newsitem.asp?id=48143

FARMLAND VALUES EXPECTED TO RISE

**June 10, 2011
News Release**

WEST LAFAYETTE, Ind. - A Purdue agricultural economist expects Indiana farmland values to keep rising this year, continuing a trend that has seen them increase by 270 percent since 1985. Farmland increased in value by 12 percent last year. In June 2010, the average price for an acre of land in Indiana was \$4,419. With the strong prices in place since last fall, Craig Dobbins expects values to increase significantly. "When you buy a capital asset, you are buying future income," said Dobbins, who explained that the three main factors driving farmland values are income, interest rates and the growth rate of annual income.

Income has a positive relationship to farmland value. Farm income - what is left after subtracting all costs except land from the overall revenue - has increased greatly with strong commodity prices.

While commodity prices have increased with ethanol production, rising farm input costs need to be watched and have cut into farms' total income, Dobbins said.

"In 2009, petroleum costs went way up and fertilizer costs hit \$1,000 per ton, which was higher than we ever imagined," he said. "This squeezed crop production margins. Farmland values didn't increase as much and, in some cases, small declines occurred."

Interest rates also drive farmland value because low interest rates make it easier to pay for a capital asset like land and make alternative investments less attractive.

"This is one area that a lot of people are talking about, as interest rates peaked in the 1980s and have been coming down ever since," Dobbins said. "That's helped increase farmland value, but zero is the bottom on interest rates, so it's likely that they will at least flatten out."

Dobbins said that with a growing world population and increased demand, many expect the growth rate of annual incomes to continue to be strong. Better crop genetics, tillage systems and weed control have led to increased yields and increased income.

Many other factors influence farmland prices, such as location and potential development. But, with the greatly decreased housing market of recent years, Dobbins said the movement of farmland into residential developments has slowed dramatically.

Far more people are interested in buying farmland than selling it, Dobbins said. Although it appears likely that farmland values will continue to increase, he advised farmers to be cautious with all purchase and sales decisions. "Current farmland values are not excessive, but this is all based on the idea that expectations of strong farmland income, low interest rates and a

continued growth in farmland income will be realized," Dobbins said. "Sometimes expectations, even widely held expectations, are not realized. When this happens, there can be significant downward adjustments in farmland values. Farmers need to carefully budget through any decision to buy land."

For additional information on farmland values, view the paper and video materials developed by the Purdue Center for Commercial Agriculture by [clicking here](#).

Source: Purdue University

TAX CALENDAR

AUGUST

AUGUST 15, 2011

■ Due date of individual income tax if automatic extension was filed by April 15. **IRS.**

AUGUST 31, 2011

■ Due date of heavy vehicle use tax (Form 2290) for year ending June 30, 2012. Full payment of tax due. (See July 1.) **IRS.**

■ Certificates of Self-Insurance for Worker's Compensation expire. **Worker's Compensation Board of Indiana.**

SEPTEMBER

SEPTEMBER 1, 2011

■ Annual permit fees are due for regulated places of amusement and entertainment one year from the month the permit was issued.

State Fire Marshal.

■ Last day to file the intrastate motor carrier license renewal form (MCFT-1) in order to receive timely credentials. **IDOR.**

SEPTEMBER 15, 2011

■ Due date for third installment of estimated individual federal income tax for the year 2011 (calendar-year basis). **IRS.**

■ Due date of third installment of corporation estimated tax. (Form 1120-W). **IRS.**

■ Due date for third installment of estate or trust estimates tax for 2011 (Form 1041-ES). **IRS.**

■ Estimated quarterly insurance gross premium tax due.

Indiana Department of Insurance.

■ Third installment and remittance due on the declaration of estimated individual adjusted gross income tax (Form IT-40ES). **IDOR.**

■ Last day for filing 2010 return of calendaryear corporation (Form 1120, 1120-A or 1120-S) that obtained extension of time to file. **IRS.**

SEPTEMBER 20, 2011

■ Due date for filing corporation quarterly return (Forms IT-6, FT-QP and URT-Q if financial institution) for taxpayers on a calendar-year basis or with a fiscal year that ends on the closing date of the calendar quarter. **IDOR.**

OCTOBER

OCTOBER 1, 2011

■ Annual permit fees are due for regulated places of amusement and entertainment one year from the month the permit was issued.

State Fire Marshal.

■ Worker's Compensation Board can conduct the Second Injury Fund assessment one time per year anytime the fund balance falls

below \$1 million on or before October 1. **Worker's Compensation Board of Indiana.**

OCTOBER 31, 2011

■ Last day to file contribution report (UC-1), quarterly payroll report (UC-5A), and quarterly payroll continuation sheet (UC-5B) for third quarter of 2011. **Indiana Department of Workforce Development.**

■ Last day to file third quarter Federal Excise Tax Return (Form 720). **IRS.**

■ Last day to reserve or re-reserve a personalized license plate. **BMV License Branches.**

■ Intrastate Motor Carrier Quarterly Report (Form MCFT-101) due. **IDOR.**

■ Interstate Motor Carrier Quarterly Report (Form IFTA-101) due. **IDOR.**

■ Motor Carrier Claim for Proportional Use Credit (Form MCS-1789) due. **IDOR.**

■ Last day to deposit third quarter 2011 federal unemployment tax payments if more than \$500. **IRS.**

■ Last day to file combined withholding tax and federal insurance contributions tax return (Form 941) for third quarter of 2011. **IRS.**

NOVEMBER

NOVEMBER 1, 2011

■ Annual permit fees are due for regulated places of amusement and entertainment one year from the month the permit was issued.

State Fire Marshal.

■ For UST contractor certification information, see any day of the year column. The annual renewal only applies to reciprocal certification, and the Indiana certification date is based on the date issued by another state. **State Fire Marshal.**

NOVEMBER 10, 2011

■ Last day for payment of second installment of state or local property tax (unless extended). **County Treasurer.**

NOVEMBER 15, 2011

■ (or 6 months from original filing) Last day to file an amended personal property return unless extension was granted by township

or county assessor. **County and Township Assessor.**

NOVEMBER 30, 2011

■ Domestic insurance companies must notify Department of Insurance and Department of Revenue of intent to pay gross premium tax or adjusted gross income tax (optional). **Indiana Department of Insurance.**

EARN \$\$\$ FOR THE TA BY BECOMING A TIME WARNER CUSTOMER

If you are planning on becoming a Time Warner Business Class Customer, we can benefit. If we recommend you, we can receive a \$100 gift card. Just let the Taxpayers Association know that you are planning on doing business with Time Warner before you actually call them, and we will recommend you.

One more time ---- if you are thinking about switching to Time Warner Cable for your business needs, call us first.

MEMBERSHIP MATHEMATICS

If every member could convince another individual or business to become a member, then the Taxpayers Association would have twice the number of current members. Does this sound like a story problem? It really is not the problem, but the solution.

$$1 + 1 = 2$$

Why do we need new members? Our revenues are down for various reasons. We do have many new members, but the new revenue does not offset the lost revenue from those who are no longer members.

What is in it for you? If you bring in a new member, you and the new member may attend the annual meeting at no cost.

WASHINGTON WATCH

One web site we want to bring to your attention is www.washingtonwatch.com. This independent web site has information on each proposed bill in Congress and allows input from users on each bill. It also gives an estimated cost or savings per average American if the bill in question is passed. It recently announced a partnership with the National Taxpayers Union that will better help its federal legislation cost calculations.

CITY AND NON-CITY PROPERTY TAX ALLOCATION

We have prepared several bar graphs demonstrating the allocation of property tax dollars comparing the averages of non-city locality taxes and city locality taxes. The graphs on the following pages can give you a clearer view of where our tax dollars are going.

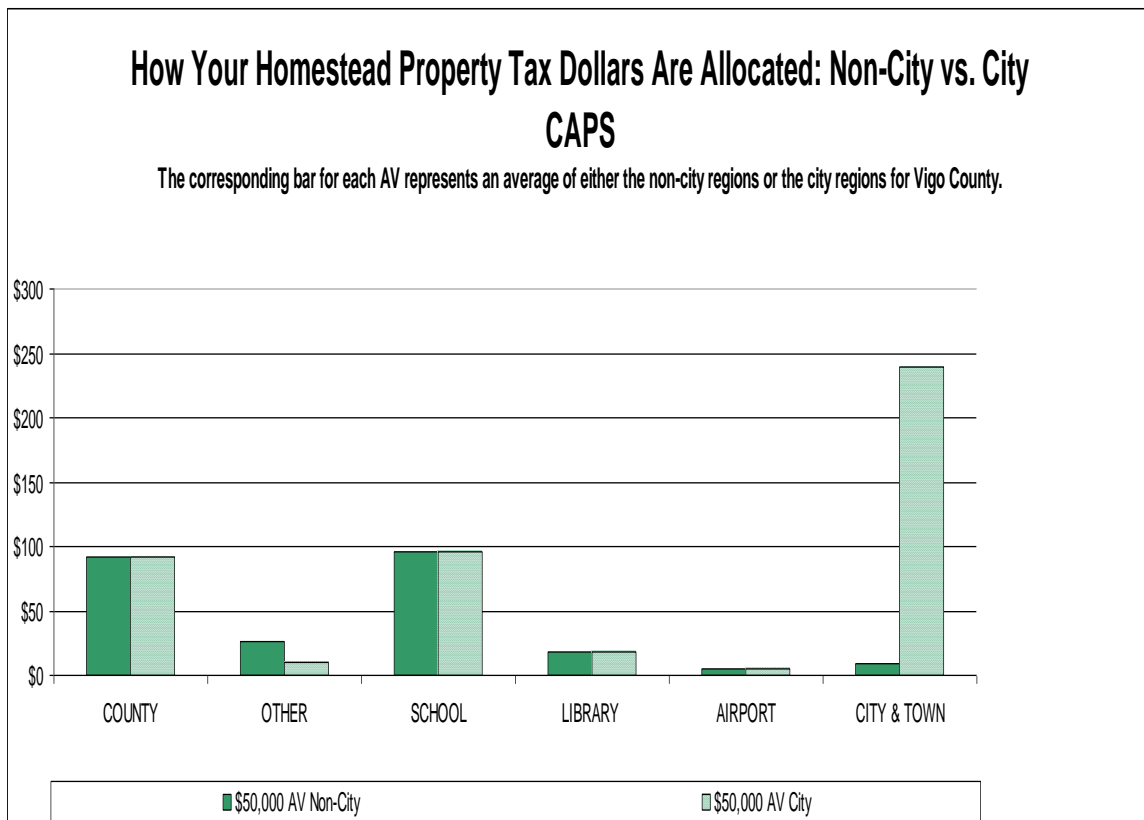
A Graphic Comparison: Demonstration of Allocation of Property Tax Dollars Comparing Non-City Locality Tax Average to City Locality Tax Average

The following contains 7 graphs comparing:

\$50,000 AV Homestead Property
 \$100,000 AV Homestead Property
 \$200,000 AV Homestead Property
 \$300,000 AV Homestead Property

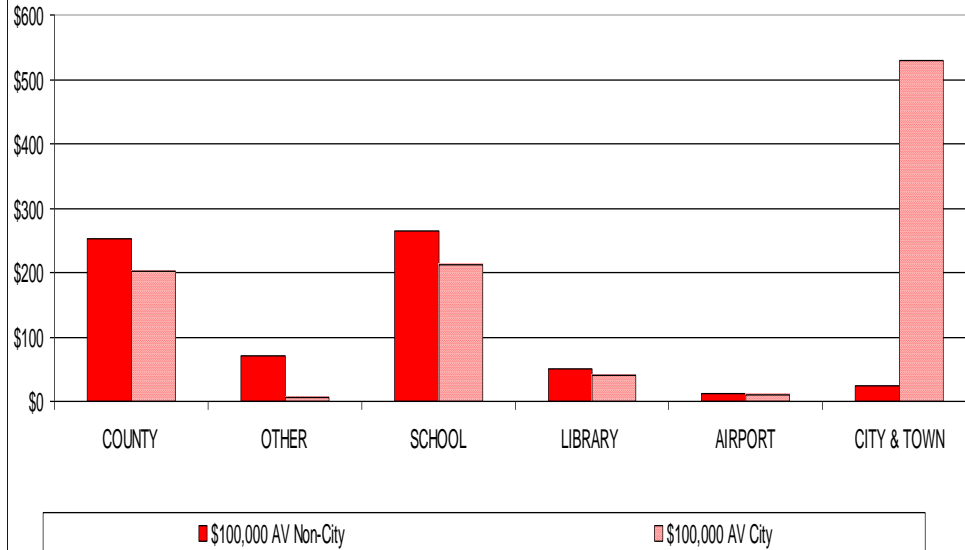
\$100,000 AV *Other Property
 \$200,000 AV *Other Property
 \$400,000 AV *Other Property

*Other property is non-homestead, non-residential, and non-farm. Basically, it is classified as business.



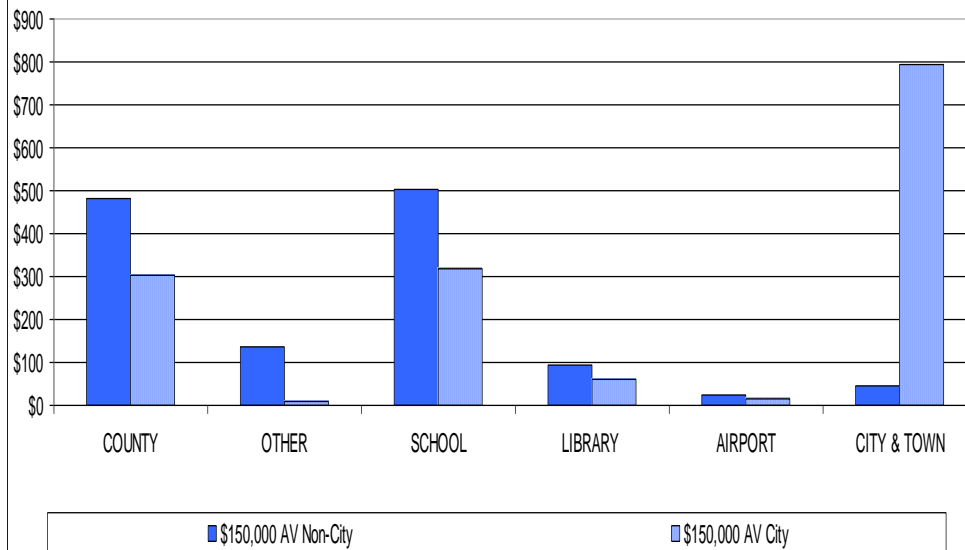
How Your Homestead Property Tax Dollars Are Allocated: Non-City vs. City CAPS

The corresponding bar for each AV represents an average of either the non-city regions or the city regions for Vigo County.



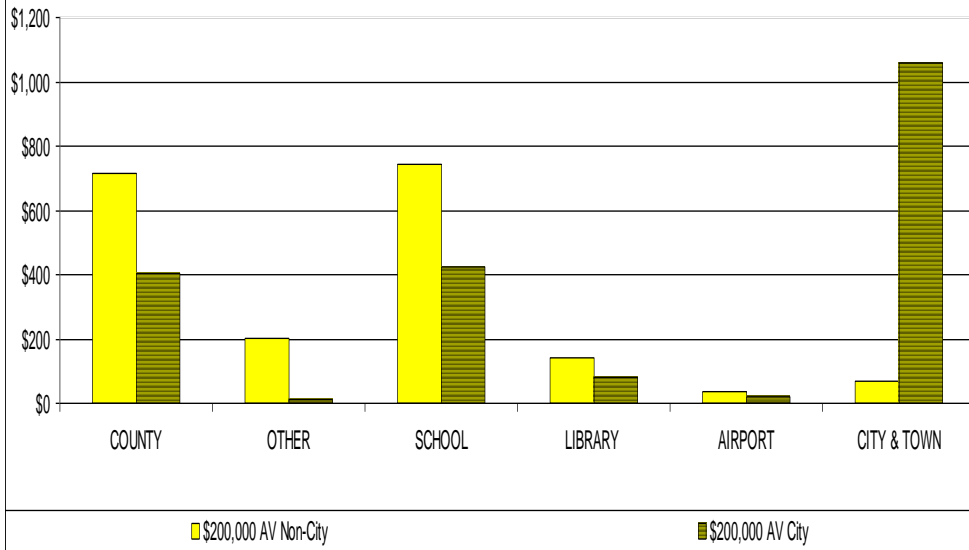
How Your Homestead Property Tax Dollars Are Allocated: Non-City vs. City CAPS

The corresponding bar for each AV represents an average of either the non-city regions or the city regions for Vigo County.



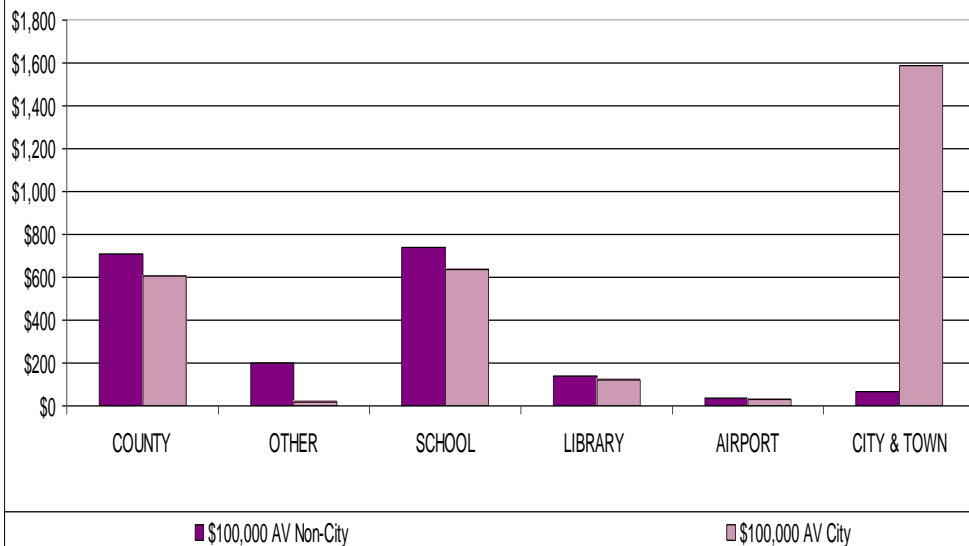
How Your Homestead Property Tax Dollars Are Allocated: Non-City vs. City CAPS

The corresponding bar for each AV represents an average of either the non-city regions or the city regions for Vigo County.



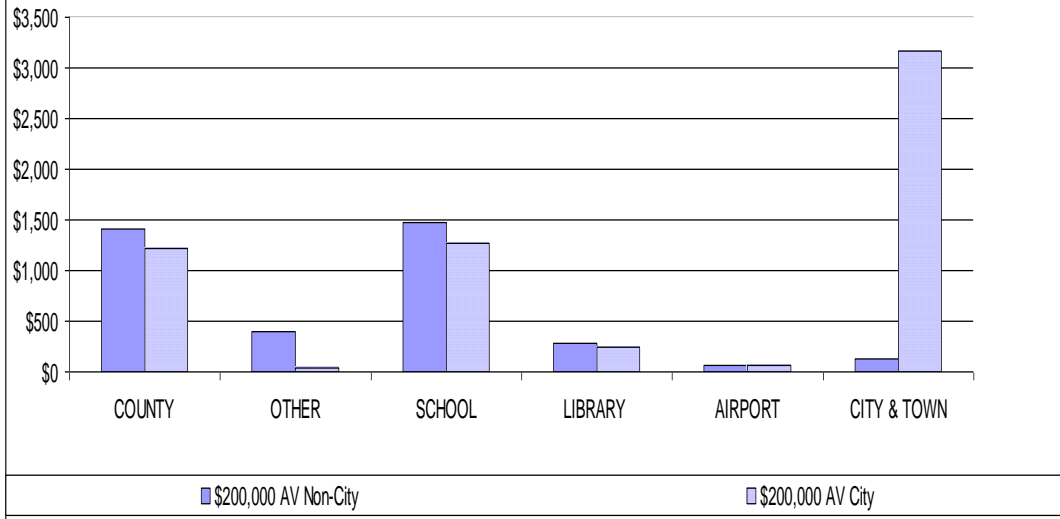
How Your Other Property Tax Dollars Are Allocated: Non-City vs. City CAPS

The corresponding bar for each AV represents an average of either the non-city regions or the city regions for Vigo County.



How Your Other Property Tax Dollars Are Allocated: Non-City vs. City CAPS

The corresponding bar for each AV represents an average of either the non-city regions or the city regions for Vigo County.



How Your Other Property Tax Dollars Are Allocated: Non-City vs. City CAPS

The corresponding bar for each AV represents an average of either the non-city regions or the city regions for Vigo County.



SPECIAL INTEREST PUBLICATIONS WEB SITES

1. **COST OF GOVERNMENT DAY 2011 REPORT**
 -Want to know the date of the year on which the average American worker has earned enough gross income to pay off his or her share of the spending and regulatory burden imposed by government at the federal, state and local levels? Then visit the following link to read the 2011 *Cost of Government Day* report (<http://www.fiscalaccountability.org/userfiles/Cost%20of%20Government%20Day%20-%202011.pdf>) (44 pages).

2. **PRIVATIZATION**
 -What is your stance on privatization? To find out more on the process of transferring property from public to private ownership and/or transferring the management of a service or activity from the government to the private sector, visit the following link (<http://www.seattlewv.org/sites/default/files/privatization2009.pdf>) (29 pages). This will be a hot topic in the next decade.

3. **TERRE HAUTE WASTE WATER TREATMENT PLANT IMPROVEMENT GETS FEDERAL APPROVAL**
 - After a long collaborative pursuit, improvement of the Terre Haute waste water treatment plant has finally been approved. For more information on the proposed project and subsequent maps please contact the Taxpayers office.

Table of Contents of Tax Matters Issues 11-03 through 11-06

Just in case you wish to refer to a previous issue of Tax Matters and need some help locating a particular topic, you may refer to the table below. Many of the topics are also included in an issue of Tax Topics. This issue of Tax Topics includes Tax Matters through June 2011 and this table does the same. The next issue will continue from this point.

Topic	Issue	Topic	Issue
Annual Meeting	11-03, 11-04	New Maple Avenue City Park	11-05
2011 Tax Rates	11-03	Property Tax Caps	11-05
TA Board Member Election	11-04, 11-05	Public Access Handbook	11-05
Dr. Larry DeBoer	11-04	Taxpayers Tab	11-05
Local Income Taxes	11-04	Property Tax Allocation	11-06
Local Income Tax Overpayment	11-04	Railroad Study	11-06
Health Bill	11-04	West Public Library Branch	11-06