

# **TAX MATTERS**

DECEMBER 17, 2009, Issue #09-48, by Bernard Ridens, Executive Director  
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## REVIEW OF PAST TAX MATTERS

DECEMBER 3, 2009 (#09-47)

- **HERE IS YOUR ANNUAL REPORT**
  - The Annual Report is complete and posted on [www.taxtopics.org](http://www.taxtopics.org). 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](mailto:taxtopics@aol.com).
- **2010 INVOICES**
  - The invoices have been mailed. Thank you to those who already submitted payments!

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>.

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. TAX QUESTIONS AND PROBLEMS

The correct answer to the last edition's problem was \$6,125 (due to the 3.5% cap; the gross uncapped annual taxes would've been \$6,361).

The six problems that were used were all based on properties with \$175,000 assessed value in Terre Haute-Harrison Township and Honey Creek Township, using the three property types: homestead, residential rental/agricultural and commercial. For comparison, all the answers are compiled in a table:

**Estimated Net Annual Tax Bill for \$175,000 AV**

		Harrison		Honey Creek	
	Tax Cap	Net Tax Bill	Savings Due to Cap	Net Tax Bill	Savings Due to Cap
homestead	1.5%	\$2,625	\$114	\$1,429	\$0
six-unit apartment rental	2.5%	\$4,375	\$1,986	\$3,320	\$0
commercial	3.5%	\$6,125	\$236	\$3,320	\$0

Here we see that properties with \$175,000 AV's could in fact be adjacent with one another and have a low tax bill of \$1,429 and a high of \$6,125. Is this fair taxation?

**Estimated Net Annual Tax Bill for \$275,000 AV**

		Harrison		Honey Creek	
	Tax Cap	Net Tax Bill	Savings Due to Cap	Net Tax Bill	Savings Due to Cap
homestead	1.5%	\$4,125	\$798	\$2,570	\$0
six-unit apartment rental	2.5%	\$6,875	\$3,121	\$5,218	\$0
commercial	3.5%	\$9,625	\$371	\$5,218	\$0

If the properties had \$275,000 AV's, we see a low tax bill of \$2,570 and a high of \$9,625.

**Estimated Net Annual Tax Bill for \$375,000 AV**

		Harrison		Honey Creek	
	Tax Cap	Net Tax Bill	Savings Due to Cap	Net Tax Bill	Savings Due to Cap
homestead	1.5%	\$5,625	\$1,483	\$3,710	\$0
six-unit apartment rental	2.5%	\$9,375	\$4,256	\$7,115	\$0
commercial	3.5%	\$13,125	\$506	\$7,115	\$0

If the properties had \$375,000 AV's, we see a low tax bill of \$3,710 and a high of \$13,125.

For each of the above tables, we see the capped savings for rental properties and farmlands are 8.4 times greater than for commercial properties. Again, is this fair taxation?

## 2. CAGIT & EDIT

The Indiana Legislative Services Agency has now made available the amount of CAGIT and EDIT dollars to be re-distributed to Vigo County during calendar year 2010. This is local income taxes collected during the past 18 months and held by the state for return distribution beginning in January 2010. These amounts represent 0.75% and 0.50% of gross income of Vigo County employee CAGIT and EDIT taxes, respectively. Here is a chart comparing these taxes for calendar years 2008, 2009 and 2010.

	2008		2009		2010	
<b>CAGIT</b>	12,782,941		13,616,129		13,457,717	
<b>Gross Income</b>		1,704,392,133		1,815,483,867		1,794,362,267
<b>EDIT</b>	8,976,449		9,323,654		9,208,784	
<b>Gross Income</b>		1,795,289,800		1,864,730,800		1,841,756,800
<b>TOTAL</b>	\$21,759,390		\$22,939,783		\$22,666,501	
<b>GROSS INCOME</b>		\$3,499,681,933		\$3,680,214,667		\$3,636,119,067
<b>CHANGE GROSS INCOME (ANNUAL)</b>				5.1585%		-1.1982%
<b>CHANGE GROSS INCOME (2008-10)</b>						3.8986%

## 3. STATEMENT FROM FARM BUREAU ON PROPERTY TAX CAPS

“Indiana Farm Bureau and the thousands of farmers we represent are sorely disappointed that the both the Senate Tax & Fiscal Policy Committee and the House Ways & Means Committee have voted favorably on measures that move unjust property tax proposals one step closer to being amended into the state’s constitution. We applaud those committee members who rightly stood in opposition of this bad public policy.

“Our members cannot condone a constitutional amendment that provides unwarranted relief to one class of taxpayers over another. Nor can we stand by silently when we see efforts being undertaken that would permanently lock that unfair scheme into our state’s most fundamental document, our constitution.

“Indiana Farm Bureau has respectfully urged lawmakers to oppose the adoption of any measure that would amend the 1-2-3 property tax caps into the Indiana Constitution, and we will continue to do so throughout the upcoming session of the General Assembly.”

*From Indiana Farm Bureau President Don Villwock*

## 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.

<b>Date</b>	<b>Time</b>	<b>Public Meeting</b>	<b>Location</b>	<b>Contact Info</b>
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
Mon. Dec. 28	2:00 pm	<u>Board of Public Works and Safety</u>	City Hall – Board of Public Works Room	Robin 232-4767
Mon. Dec. 28	4:00 pm	<u>County Park Board</u>	County Annex	Julia 462-3391
Mon. Dec. 28	5:30 pm	<b>Terre Haute Housing Authority</b>	2001 N. 19 <sup>th</sup> Street	Jeff 232-1381
Tue. Dec. 29	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Dec. 29	7:00 pm	<u>Airport Authority</u>	Airport	Kara 877-2524
Mon. Jan. 4	4:30 pm	<b>Animal Control Board</b>	City Hall – 1 <sup>st</sup> Floor	
Mon. Jan. 4	6:30 pm	<b>Riley Town Board</b>	Riley Town Hall	Wanda 894-2410
Tue. Jan. 5	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Jan. 5	10:00 am	<u>City Board of Sanitary Commissioners</u>	City Hall – 3 <sup>rd</sup> Floor	Sally 235-5458
Tue. Jan. 5	4:30 pm	<b>Honey Creek Conservancy District</b>	3241 S. 3 <sup>rd</sup> Place	Craig 232-4311
Wed. Jan. 6	9:00 am	<u>City Board of Zoning Appeals</u>	City Hall – 1 <sup>st</sup> Floor Conf. Room	Judy 462-3367
Wed. Jan. 6	7:00 pm	<u>County Area Planning Commission</u>	County Annex	Vickie 462-3354
Thur. Jan. 7	7:00 pm	<u>City Council – Sunshine Meeting</u>	City Hall – Courtroom	Michelle 232-3375
Mon. Jan. 11	6:00 pm	<b>West Terre Haute Town Board</b>	500 W. Nat'l, WTH	Melody 533-2034
Mon. Jan. 11	7:00 pm	<u>Vigo County School Board</u>	VCSC Board Room	Judy 462-4216
Tue. Jan. 12	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Jan. 12	4:15 pm	<u>Vigo County Redevelopment Commission</u>	County Annex	Amanda 234-2524
Tue. Jan. 12	7:00 pm	<b>Seelyville Town Board</b>	Seelyville Water Office	Tamara 877-2665
Wed. Jan. 13	10:00 am	<u>County Board of Zoning Appeals</u>	County Annex	Judy 462-3367
Wed. Jan. 13	2:00 pm	<u>E-911 Advisory Board</u>	County Jail – Sheriff's Training Room	Greg 462-3226 ext. 320
Wed. Jan. 13	4:30 pm	<u>City Park Board – General Meeting</u>	Deming Park	Eddie 232-2727
Wed. Jan. 13	7:00 pm	<u>Airport Authority</u>	Airport	Kara 877-2524

<b>Date</b>	<b>Time</b>	<b>Public Meeting</b>	<b>Location</b>	<b>Contact Info</b>
Thur. Jan. 14	7:00 pm	<u>City Council – Regular Meeting</u>	City Hall – Courtroom	Michelle 232-3375
Mon. Jan. 18	5:30 pm	<u>Human Relations Commission</u>	Booker T. Washington Center	Jeff 232-0110
Mon. Jan. 18	7:00 pm	<u>Vigo County Public Library</u>	Vigo County Public Library	Nancy 232-1113
Tue. Jan. 19	9:00 am	<u>County Commissioners</u>	County Annex	Judy 462-3367
Tue. Jan. 19	10:00 am	<u>City Board of Sanitary Commissioners</u>	City Hall – 3 <sup>rd</sup> Floor	Sally 235-5458
Wed. Jan. 20	9:30 am	<b>Clay-Owen-Vigo Solid Waste District</b>	109 E. Nat'l, Brazil IN	Janet 800-387-3380
Wed. Jan. 20	4:00 pm	<u>City Redevelopment Commission</u>	City Hall – 1 <sup>st</sup> Floor	Phenny 232-0018
Wed. Jan. 20	5:00 pm	<u>Vigo County Board of Health</u>	County Annex	Louise 462-3428
Thur. Jan. 21	2:00 pm	<b>Tree Advisory Board</b>	City Hall Mayor's Conf. Room	Jennifer 232-4028

## 5. QUOTE OF THE WEEK

*“Collecting more taxes than is absolutely necessary is legalized robbery.”*  
*- Calvin Coolidge*

**END**

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