



Tax Topics

A Publication of the Taxpayers Association of Vigo County, Inc.

Fall 2012

Budgets.....

The 2013 City Budget was approved and submitted to DLGF. The Budgeted Expenses were 4% over those budgeted for 2012. Revenue was budgeted consistent with 2012. The primary purpose of this budget was to comply with DLGF and thus establish levies and tax rates. The TPA supported passage of this budget. Now the real work begins. The pattern over the last four years is that the administration typically spends about \$1 million per year less than the budgeted expenses; however the actual spending still exceeds the revenue generated. It will be critical that the city council maintain oversight on what is happening with city finances in order to reduce expenses to fall within the revenue criteria.

have a professional and dedicated organization such as the Vigo County School Corporation. Great Job!

Sewers.....

The City Council passed the Sanitary District upgrade that is required by the EPA. This project will cost approximately \$140,000,000 and will be financed by a Revenue Bond. The financing will require an annual 15% increase in sewer rates for 3 years beginning in July 2013. There really were no options here. If the city did not move ahead, the Federal Government would come in and take over the Sewer Operation and set the rates. It was interesting that at the council meeting there were only two residents that had questions, and no one objected or complained.

Principal for a day.....

What an exciting day! On November 14, I volunteered to be principal for a day at Fuqua Elementary School. Mary Beth Harris is the principal and starts at 7:30 am every day. How she remembers the first and last names of all 385 students is amazing. It was clear that the relationship of the students to the staff and Mary Beth was one of trust and friendship combined with accountability. After resolving some Chickenpox issues we were off to an interview where Mary Beth observed a teacher in action – taking notes the whole time. We took a tour and visited every classroom. Later, we sat down and reviewed how she then relates her observations to the rating criteria. While this is a subjective system, it is very comprehensive in scope, yielding quantifiable ratings. Vigo County is truly blessed to

Coke and Carbon Cleanup.....

The Coke and Carbon Clean Up Bond itself will be for \$7,000,000 – part of the \$140,000,000. These funds will be used for the first part of the Coke Plant cleanup. My comment was “won’t that look like the sewer fees are going to pay for the Coke Plant cleanup?” While it could appear that way, the city had coordinated with the Indiana Finance Authority who offered a discount in conjunction with the EPA and a Green project and that by combining the two projects; they were eligible for a 0.005 discount on the entire bond. In essence it is free money in that the savings more than compensates for Coke Plant portion and that the discount would not be available on the \$133,000,000 without the “green” initiative. The discount of 0.005% equates to a \$ 7,000,000 savings. Compliments to the city for taking advantage of a great opportunity.

Welcome New Members:

Businesses:

Dupont (formerly Danisco) – Dwight McKay
Vigo County School Corp. – Danny Tanoos
Edible Bouquets – Janaki Nallapareddy

Individuals:

Thomas E. Norris,
Kathleen M. Hilton, Psy.D., CPC
Paul Conches

Who We Are and What we Do!

- Educating the citizens:

John and/or Kim has been out in the public talking to city and county residents.

John, in October, was invited to set up a table with informational handouts at Fuqua School and to speak with individuals about the Taxpayers Association of Vigo County.

In November, Kim participated in a craft fair at the 4H fair grounds where she spoke with various people about TA, and the Homestead Verification Deadline that was in Thursdays, November 15, Tribune Star.

November 15, 2012- Deadline looms for homestead verification

Less than two months left to file form for property tax deduction

Howard Greninger *The Tribune-Star*

TERRE HAUTE — Nearing the end of a three-year notification process, Vigo County taxpayers have less than two months to file a homestead verification form to continue to receive a property tax deduction. Pink-colored verification forms were first mailed with property tax bills in 2010, then again in 2011 and this year. The form must be completed and submitted to the county auditor's office at least once prior to a Jan. 1, 2013 deadline. "There are some people who have filled them out several times, submitting a form each year. They did not need to do that ... it only needs to be submitted once," said Vigo County Auditor Tim Seprodi. The forms are required under a state measure aimed at reducing duplicate homestead property tax deductions. "The homestead deduction gives a qualifying individual or couple a substantial property tax benefit by lowering their property tax obligation," Brian Bailey, commissioner of the Indiana Department of Local Government Finance, said in a written statement. "When individuals who do not qualify receive this benefit, it costs other taxpayers more." In 2010, about 3,400 parcels in Vigo County were "questionable" as double-dipping on homestead deductions for property taxes following a review from SRI Inc., an Indianapolis firm hired to research property parcels and tax payments back to 2007. The county since has collected about \$380,000 in back taxes/penalties from duplicate homestead deductions, Seprodi said. A homestead deduction allows homeowners who use a property as a primary residence to qualify for a reduction of the lesser of 60 percent of the property's assessed value or \$45,000, plus up to an additional 35 percent of the remaining assessed value through the supplemental homestead deduction, according to the Department of Local Government Finance. Of the more than 60,000 property parcels in Vigo County, Seprodi estimated about 40,000 parcels have been designated for the deduction from submitted forms. "Presently, we are trying to get all of that information into the [county computer] system," he said. By the end of January, Seprodi said his office will send out a letter to taxpayers receiving the homestead deduction who have not filed the homestead verification form on or before Dec. 31. "We have to notify taxpayers if they have not complied, we will remove their deduction. They will have two weeks [after that notification] to come in [to the auditor's office] to make sure they comply," Seprodi said. Taxpayers whose taxes are paid by a mortgage company or bank should have received the pink notifications, along with the bank, Seprodi said. Any such taxpayer who has not received a notification should contact his office at 812-462-3361. "Once we check it, we take care of it and it is not a problem," Seprodi said. "If a mistake is made like that, it can be corrected" even after the deadline, the auditor said. "The problem that arises is when a taxpayer gets a notice, does nothing, just lets it ride, and because the taxpayer didn't act, the deduction will be removed." Additional information about the homestead deduction is available on the Indiana Department of Local Government Finance's website at www.in.gov/dlgef/8455.htm.

Reporter Howard Greninger can be reached at 812-231-4204 or howard.greninger@tribstar.com.

Information that you will need to have handy when calling is:

Last Five of Social Security Number

Last Five of Drivers License

Property Address

Name of Property Owner (additional information may be required if not the owner)

Contact the Auditors Office at 812-462-3361

Do you have your pink slip?

More information concerning the homestead deduction can be located at: www.in.gov/dlgf/8455.htm

PILOT'sPayment in Lieu of Taxes...

The only PILOT we have received is from the Terre Haute Housing Authority. We received \$61,072.07 in 2012, \$79,386.63 in 2011, and \$83,213.32 in 2010. We have not received anything from Westminster Village for several years.

We received the following for fire service:

Novelis

2010- \$2,472.72

2011- \$2,497.44

2012- \$2,522.40

ISU

2010 - \$109,101.33

2011- \$106,801.20

2012- \$107,270.32

Harley Davidson

2010- \$2,060.60

2011- \$1,040.60

2012- \$1,040.60

Miscellaneous

Small, various payments for events from the following:

Rose Hulman, Terre Haute International Airport, KMS and THAT Promotions, Terre Haute North High School, Terre Haute South High School, Terre Haute West High School, US Auto Club.

Totals per year for the above are as follows:

2010- \$1,813.65

2011- \$1,725.74

2012- \$9,654.72 (Airport only) shown below

***** July 2011- one payment of \$30,345.04 from the Treasurer of Clay County

*****January 2012- one payment of \$9,654.72 from the Terre Haute International Airport

Leslie Ellis

City Controller, City of Terre Haute 812-244-2359

PILOT'sPayment in Lieu of Taxes...when I started looking into PILOT's I wanted to become an expert overnight. Today, I have more questions than answers, like, who in the administration is marketing these? Who is empowered to negotiate them? Based on the response from Leslie....it looks pretty anemic compared to the number of tax exempt properties in Terre Haute. I would have thought this to be a few million \$\$ per year. What is the basis for determining the fee (i.e. is there a defined policy?) Is there any way to force these? All good questions, now to find some answers. According to the current City Council agenda for December, it looks like the council may need to be involved – Appropriation # 25 attached.

What is going on at the Vigo County Library?

The New carpet and flooring are being installed. Several areas that were carpeted are now hardwood which should minimize maintenance and provide for longer life. Looking good! The search for a new director is moving ahead in good order and is narrowing from 24 to 8 and now 3 candidates. Pat Carney presented the 2013 Health Insurance package proposal at the Board Meeting. Would you believe the increase in premiums for 2013 is 0%. I have never heard of that.



From Bell California, via Anderson Cooper 360
CNN11/27/2012.

This is the Police Chief of Bell California. He has been in the position for a year now and is retiring from his \$ 457,000/yr. job. One problem, he is suing the city for \$600,000 for sick time and vacation time not used. It also seems that when he took the job, there was a substantial escalation in the compensation for the position. He has requested the California Pension Board that he be paid \$ 38,000/month verses the normal \$19,000/month he would receive for the rest of his life. They have denied that.

If you look up Bell California on CNN you will find that over the last several years the mayor, city manager, even the entire council have been charged with something. Some are even serving time. Seems like a magnet for those wanting to defraud the taxpayers.

This city could REALLY USE a Taxpayers Association!!!!

Fact Check ! Fact Check ! Fact Check !

Based on an assumption that due to the Tax Caps and changes in deductions, property tax revenue has declined within the city over the last 4 years. We selected 100 homes at random in Terre Haute City for non rental properties that were subject to the 1% tax cap.

While we know the reduced revenue occurred in the aggregate, we were looking to see if there were trends related to how / where it occurred.

Conclusion from the Data:

There was a significant decline in tax dollars on properties with assessed values of \$ 85,000 and above. There was no observable reduction in taxes on properties under \$ 85,000 assessed value.

FILED
NOV 05 2012
CITY CLERK

APPROPRIATION NO. 25, 2012

AN ORDINANCE TO APPROPRIATE AN ADDITIONAL SUM OF MONEY FOR EXPENSES INCURRED DURING THE YEAR 2012.

WHEREAS, it has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget; now, therefore:

BE IT ORDAINED by the Common Council of the City of Terre Haute, Vigo County, Indiana, that for the expenses of said municipal corporation the following additional sum of money is hereby appropriated and ordered set apart out of the fund herein named and for the purposes herein specified, subject to the laws governing the same:

	AMOUNT REQUESTED	AMOUNT APPROPRIATED
FROM: Wastewater #0620-0061	\$2,189,000.00	\$2,189,000.00
TO: PILOT Fee #0101-0000-00-349.021	\$2,189,000.00	\$2,189,000.00
TOTAL	\$2,189,000.00	\$2,189,000.00

Introduced by: _____ John Mullican, Councilman

Passed in open Council this _____ day of _____, 2012.

_____ Don Morris, President

ATTEST: _____ Charles P. Hanley, City Clerk

Presented by me to the Mayor this _____ day of _____, 2012.

_____ Charles P. Hanley, City Clerk

Approved by me, the Mayor, this _____ day of _____, 2012.

_____ Duke A. Bennett, Mayor

ATTEST: _____ Charles P. Hanley, City Clerk