

## TAX MATTERS

JULY 24, 2008, Issue #08-30, by Bernard Ridens, Executive Director  
Taxpayers Association of Vigo County, Inc.

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1. INDIANA'S CREDIT RATING HITS HISTORIC MARK
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3. LETTERS TO LEADERS CAMPAIGN
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5. MDA LOCK-UP

### UPCOMING EVENTS

#### REVIEW OF PAST TAX MATTERS

JULY 17, 2008 (#08-29)

- ANOTHER FLOOD PHOTO AND IDEA
  - Should the long-range plan for EDIT dollars be re-evaluated and moved towards channeling Thompson Ditch directly to the Wabash?

JULY 10, 2008 (#08-28)

- TAX REALIGNMENT – PROPERTY TAX REDUCTION
  - The Department of Local Government Finance has just released the property tax rates and replacement credits to Vigo County. You may note that the rates have increased slightly, but the key to the reduction in property tax is the replacement credit.
- DO YOU HAVE FLOOD DAMAGE?
  - Properties structurally damaged by the recent flood qualifies for a reduction in assessment. Vigo County owners of such properties have until December 31, 2008 to file the attached form with the Vigo County Assessor - <http://www.in.gov/icpr/webfile/formsdiv/17592.pdf>

JULY 3, 2008 (#08-27)

- INDIANA WATERWAY PERMITS MANUAL
  - Who is responsible for the cleanup or prevention of creek logjams such as those known and reported before the June 7, 2008 flood? See <http://www.in.gov/indot/files/WaterwayManual.pdf>
- I-69 WILL BE BUILT, REGARDLESS
  - The groundbreaking for the first phase of the new road will be secretive
- HONEY CREEK-VIGO CONSERVANCY DISTRICT
  - Special call public meeting – Tuesday, July 15, 7:00 pm @ the County Annex. This meeting is scheduled to permit citizens input and comment regarding ongoing flood protection activity in the District.

The Taxpayers Association is a not-for-profit 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. INDIANA'S CREDIT RATING HITS HISTORIC MARK

## ***Press Release***

NEW YORK July 18, 2008 – Standard & Poor's Ratings Services raised its issuer credit rating on the state of Indiana to 'AAA' from 'AA+', reflecting the strong management that has led to improved financial performance and position.

In particular, "property tax reform has realigned state and local spending, clarified the state's responsibilities, and is not expected to impact the state's long-term financial performance," said credit analyst Eden Perry. In addition, "budgeting practices have been strengthened under this administration," she said.

Other positives that the agency noted were:

- Indiana has a stable and diversifying economic base which is becoming less concentrated in manufacturing;
- Its fund balance will grow by the end of the biennium even as it gets caught on up delayed payments to local governments; and
- The state's overall debt is low.

*Source: Standard and Poor's*

## **Press Release**

INDIANAPOLIS (July 21, 2008) – For the first time in the state's history, Indiana's credit rating has been raised to AAA, the highest rating assigned by the independent credit rating agency Standard & Poor's Ratings Service (S&P).

The upgrade from AA+, the state's rating since January 2006, "reflects the state's continued strong management that has led to the property tax reform that has realigned state and local spending and is not expected to impact the state's long-term financial performance. As well, the state's commitment to attract diverse jobs through its economic development efforts has translated into a shift away from traditional manufacturing employment," said the credit agency.

"The experts have certified what Hoosiers know, that Indiana has turned around fiscally and is turning around economically. But our own history and the current tumbles of other states show that continued careful management is key, because it's too easy for these gains to slip away," said Governor Mitch Daniels.

The rating increase means, for example, that 228 of the state's school corporations can borrow money at a lower interest rate.

The report said the administration has made significant financial management changes and strengthened budgeting practices. S&P cited four areas in issuing the AAA credit rating: stable and diversifying economic base despite continued manufacturing concentration; a conservative biennial budget that will add to the fund balance by the end of the biennium;

property tax reform that has clarified the state's financial responsibilities, and low overall debt levels.

Florida, Georgia, North Carolina, Delaware, Virginia, Maryland, Minnesota, Missouri and Utah also have a AAA S&P rating.

Between 2002 and 2004, Indiana's rating was lowered twice. Beginning in June 2005, it has been raised three times. Indiana's rating history since 1997:

- December 18, 1997 to January 18, 2002, AA+ stable
- January 18, 2002 to January 20, 2004, AA+ negative
- January 20, 2004 to June 29, 2005, AA stable
- June 29, 2005 to January 23, 2006, AA positive
- January 23, 2006 to July 19, 2008, AA+ stable
- Beginning July 19, 2008, AAA

Source: Office of the Indiana Governor

## **2. COMPUTERS AND SUPER COMPUTERS**

### **20,000,000,000,000 Operations per Second!**

Bernard assigned this story to me, Susan Clements, Administrative Assistant and Go-Fer. It brought back some memories. A few years ago, I was teaching Computer Science at Terre Haute South, and one of my students was Matthew Hoxworth, now an employee of the Taxpayers Association, IT Analyst, and another Go-Fer! The year was 1999 – 2000 and we were anxiously awaiting the occurrence of “Y-2K”. As computer enthusiasts, the conversation came up daily. What happened – all the computers in the lab were reset to 19:0 and a quick fix repaired everything.

If only we would have been using IU and Purdue's supercomputer, the IBM e1350 BladeCenter cluster, capable of **20 trillion mathematical calculations per second**, we probably would not have had to worry about our trivial problem.

Why would we include this in today's Tax Matters? The reason is that businesses may apply to use this supercomputer. Several pilot projects have been completed with Indiana-based companies, and through this experience, its use is open to Indiana's private sector. Access is being provided as part of the Indiana Initiative for Economic Development (IIED), a partnership designed to foster technology development and job growth in the state.

For more information, visit the new website at [www.iiecdev.org](http://www.iiecdev.org).

## **3. LETTERS TO LEADERS CAMPAIGN**

The board of directors of the Indiana Chamber of Commerce has launched a public policy campaign focusing on the two major candidates for governor. Each week, July 8 to August 26, the focus is on a different key issue. The program, “Letters to Leaders”, will contain specific calls to actions and strategies for consideration in the weekly letter.

As of July 24<sup>th</sup>, three letters have been published on Local Government Reform, Environment and Energy, and Education. These letters may be found on the Indiana Chamber web site,

[www.indianachamber.com/letters](http://www.indianachamber.com/letters). Please take the time to read these, and let the TA know your thoughts.

#### **4. FREQUENTLY ASKED QUESTIONS – DOES THE TA HAVE A WEB SITE?**

This is a common question. The answer is not at this time. A good web site must be kept current, accurate, and informative. This is an expense not covered by the 2008 budget, which is still short of funds due to unpaid member contributions. Should we eliminate something in favor of the web site? If something should be eliminated, what should it be?

#### **5. MDA LOCK-UP**

Our executive director, Bernard Ridens, still needs more money to bail him out of the MDA prison at Cheeseburger in Paradise on July 31st. Help bail him out by giving money to the Muscular Dystrophy Association, or Jerry's Kids. Your contributions will help support those who have muscular dystrophy as well as continue research that could lead to a cure.

**END**

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## **UPCOMING EVENTS**

The purpose of this calendar of events 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. The contact person is also listed. You should call the appropriate office and confirm the date and time if you plan to attend.

- Fri. Jul. 25, 5:30 pm: **Information Technology Advisory Board** City Hall – 1<sup>st</sup> Floor  
Brad 244-2316
- Mon. Jul. 28, 2:00 pm: **Board of Public Works and Safety** City Hall – 1<sup>st</sup> Floor  
Robin 232-4767
- Mon. Jul. 28, 4:00 pm: **County Park Board** County Annex  
Julia 462-3391
- Mon. Jul. 28, 7:00 pm: **Vigo County School Board** VCSC Board Room  
Judy 462-4216
- Tue. Jul. 29, 9:00 am: **County Commissioners** County Annex  
Judy 462-3367
- Fri. Aug. 1, 4:30 pm: **Courthouse Ribbon Cutting** W.S. of Vigo Courthouse  
Bernard 235-1361
- Mon. Aug. 4, 6:30 pm: **Riley Town Board** Riley Town Hall  
Wanda 894-2410
- Tue. Aug. 5, 9:00 am: **County Commissioners** County Annex  
Judy 462-3367
- Tue. Aug. 5, 10:00 am: **City Board of Sanitary Commissioners** City Hall – 3<sup>rd</sup> Floor  
Sally 235-5458
- Tue. Aug. 5, 4:30 pm: **Honey Creek Conservancy District** 3241 S. 3<sup>rd</sup> Place  
Craig 232-4311
- Wed. Aug. 6, 9:00 am: **City Board of Zoning Appeals** City Hall – 1<sup>st</sup> Floor  
Bernard 235-1361  
Conf. Room
- Wed. Aug. 6, 7:00 pm: **County Area Planning Commission** County Annex  
Vickie 462-3354
- Thur. Aug. 7, 7:00 pm: **City Council – Sunshine Meeting** City Hall – Courtroom  
Michelle 232-3375