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Circuit Breaker Model Update
HEA 1001 (2008)
January 2009 Computations

This document explains differences between the March 2008 LSA circuit breaker model and the January 2009 model.

The items in this section affect all counties.

1. AV Data. This model uses updated auditor and assessor real and personal property data. (See Chart below.)

2. Personal Property. Personal property billing data from the county auditor is used in the model on a per-return basis. The previous model used taxing district totals from the auditor's abstract because of data quality issues.

3. AV by Property Type. Each parcel is broken down into its component AV parts, based on circuit breaker cap type. For example, the AV on an agricultural parcel might be split into homestead AV, farmland AV, and other real property AV. Each part is processed through the model separately. In the previous model, each parcel was kept whole. If the parcel contained a homestead, then the entire parcel was deemed a homestead for circuit breaker cap purposes.

4. Trended Values. The growth rate assumptions used in this model are based on the Global Insight home price index that provides a regional growth rate by metropolitan statistical area (MSA). This index employs up-to-date economic factors to estimate home value growth. The previous model used statewide estimated growth rates based on the Freddie Mac Home Price Index, Indiana and the NIPA (GDP data) price deflator for non-residential structures (US).

This model also specifically identifies farmland and applies a growth rate equal to the annual change in the DLGF's base rate for farmland. In the previous model, the non-residential growth factor was applied to farmland.

5. Levy Base. This model uses 2008 levies for 88 counties and 2007 levies for 4 counties as a base for levy projections. The previous model relied on 2007 data for 89 counties and 2006 data for 3 counties. There were many unanticipated changes in the 2008 levies, namely new or expired debt levies and general levy reductions in some taxing units. (See Chart below.)

6. Levy Growth. The growth rates for levies were updated for this model.

A. Levy-controlled funds grow at the rate of the income-based assessed value growth quotient (AVGQ). The personal income estimates used to determine this quotient have been updated, leading to growth rates of 4.0% in 2009, 3.6% in 2010, and 3.3% in 2011. The previous model used growth rates of 4.3% in 2009 and 4.6% in 2010. No estimate was made for 2011 in the previous model.

B. The growth for cumulative fund levies, including the school capital projects fund, is tied to the change in net assessed value. The additional standard deduction and the new supplemental standard deduction will reduce net AV for taxes payable in 2009. This will translate to a reduction in the levy for these funds. The previous model held cumulative fund levies steady.

C. This model makes a one-time adjustment to county levies in 2009 to account for any year-end cash surpluses or deficits in the 2008 county family and children's fund. Levies were reduced in 76 counties by a total of $98 M and levies were increased in 15 counties by a total of almost $7 M. This adjustment was not made in the previous model.

D. This model redistributes the available CAGIT PTRC amount among the remaining levies after several levies were eliminated. This reduces the remaining levies in CAGIT counties. The previous model did not make this reallocation.

7. Local COIT and CEDIT Homestead Credits. In this model, the existing COIT-funded HSC rates were applied to each homestead's calculated gross tax. For the CEDIT-funded credit, the total proceeds generated from the CEDIT tax rate adopted to provide homestead credits is reallocated among homesteads in the county, pro rata based on the gross tax. The previous model used the existing credit rate for both the COIT and CEDIT credits.

8. Tax Increment Financing. This model identifies the amount of the estimated circuit breaker credits that are attributable to TIF allocations. The previous model reported these as a part of the credits assigned to all of the taxing units in the district.

The following changes affect specific counties.

1. Brown, Clark, and Posey County Levies. The previous model used 2006 levies as a base for these three counties. A programming issue specific to these three counties resulted in an underestimate of the county unit levies. This has been corrected in the current model.

2. Lake and St. Joseph Debt Exclusion. This model uses updated factors to eliminate old debt from the net tax amount compared to the circuit breaker cap. The factors used in the previous model did not exclude enough of the levy in some taxing districts.

3. Marion County Trended AV Data. Marion County was ordered to re-trend their Pay 2007 real property values. The re-trending was completed in the latter part of 2008. The previous model used the original trended values whereas the updated model uses the re-trended values.

4. Carroll, Fulton, Huntington, Miami, and Steuben County LOIT. These five counties enacted a local option income tax that, beginning in 2009, would either freeze controlled levies, provide direct taxpayer credits, or both. This model incorporates these changes.

LSA Circuit Breaker Model Data Update
All Years are Pay Years

		March 2008			January 2009			
			Assessor			Assessor		LOIT
		Auditor	Real	Certified	Auditor	Real	Certified	Begins
	County	Data	Property AV	Levies	Data	Property AV	Levies	2009
01	Adams	2007		2007	2008		2008	
02	Allen	2007		2007	2008	2009	2008	
03	Bartholomew	2007		2007	2008		2008	
04	Benton	2007		2007	2008	2009	2008	
05	Blackford	2007		2007	2007	2008	2008	
06	Boone	2007		2007	2008	2009	2008	
07	Brown	2004		2006	2006		2007	
08	Carroll	2007		2007	2008	2009	2008	2009
09	Cass	2007		2007	2008		2008	
10	Clark	2005	2007	2006	2007	2008	2008	
11	Clay	2007		2007	2008		2008	
12	Clinton	2006	2007	2007	2006	2007	2008	
13	Crawford	2007		2007	2008		2008	
14	Daviess	2007		2007	2008		2008	
15	Dearborn	2007		2007	2008	2009	2008	
16	Decatur	2005	2007	2007	2007	2008	2008	
17	DeKalb	2007		2007	2008		2008	
18	Delaware	2006	2007	2007	2008		2008	
19	Dubois	2007		2007	2008	2009	2008	
20	Elkhart	2007		2007	2007	2008	2008	
21	Fayette	2007		2007	2008		2008	
22	Floyd	2007		2007	2008		2008	
23	Fountain	2007		2007	2008		2008	
24	Franklin	2007		2007	2008		2008	
25	Fulton	2007		2007	2008		2008	2009
26	Gibson	2007		2007	2008		2008	
27	Grant	2007		2007	2008	2009	2008	
28	Greene	2007		2007	2007	2008	2008	
29	Hamilton	2007		2007	2008		2008	
30	Hancock	2007		2007	2008	2009	2008	
31	Harrison	2007		2007	2008		2008	
32	Hendricks	2007		2007	2008		2008	
33	Henry	2007		2007	2008		2008	
34	Howard	2007		2007	2008		2008	
35	Huntington	2007		2007	2008		2008	2009
36	Jackson	2007		2007	2008		2008	
37	Jasper	2006	2007	2007	2008		2008	
38	Jay	2007		2007	2008		2008	
39	Jefferson	2007		2007	2008		2008	
40	Jennings	2007		2007	2008		2008	
41	Johnson	2007		2007	2008		2008	
42	Knox	2007		2007	2008		2008	
43	Kosciusko	2007		2007	2008		2008	
44	LaGrange	2007		2007	2008		2008	
45	Lake	2007		2007	2008		2008	
46	LaPorte	2007		2007	2007		2007	
47	Lawrence	2006	2007	2007	2008		2008	
48	Madison	2007		2007	2007	2008	2008	
49	Marion	2007		2007	2007		2007	
50	Marshall	2007		2007	2008		2008	

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		March 2008			January 2009			
			Assessor			Assessor		LOIT
		Auditor	Real	Certified	Auditor	Real	Certified	Begins
	County	Data	Property AV	Levies	Data	Property AV	Levies	2009
51	Martin	2007		2007	2008		2008	
52	Miami	2007		2007	2008		2008	2009
53	Monroe	2007		2007	2008		2008	
54	Montgomery	2007		2007	2008		2008	
55	Morgan	2007		2007	2008		2008	
56	Newton	2007		2007	2008		2008	
57	Noble	2007		2007	2008		2008	
58	Ohio	2007		2007	2008		2008	
59	Orange	2007		2007	2008		2008	
60	Owen	2007		2007	2008		2008	
61	Parke	2007		2007	2008		2008	
62	Perry	2007		2007	2008		2008	
63	Pike	2007		2007	2008		2008	
64	Porter	2006	2007	2007	2007		2008	
65	Posey	2006	2007	2006	2006	2008	2007	
66	Pulaski	2007		2007	2008	2009	2008	
67	Putnam	2007		2007	2008		2008	
68	Randolph	2007		2007	2008		2008	
69	Ripley	2007		2007	2008		2008	
70	Rush	2007		2007	2008		2008	
71	St. Joseph	2006	2007	2007	2007	2008	2008	
72	Scott	2007		2007	2008		2008	
73	Shelby	2007		2007	2008		2008	
74	Spencer	2007		2007	2008		2008	
75	Starke	2006	2007	2007	2008		2008	
76	Steuben	2007		2007	2008		2008	2009
77	Sullivan	2007		2007	2008		2008	
78	Switzerland	2007		2007	2008	2009	2008	
79	Tippecanoe	2007		2007	2008		2008	
80	Tipton	2007		2007	2008	2009	2008	
81	Union	2007		2007	2008		2008	
82	Vanderburgh	2007		2007	2008	2009	2008	
83	Vermillion	2006	2007	2007	2008	2009	2008	
84	Vigo	2007		2007	2008		2008	
85	Wabash	2007		2007	2008	2009	2008	
86	Warren	2007		2007	2008		2008	
87	Warrick	2007		2007	2008	2009	2008	
88	Washington	2007		2007	2008		2008	
89	Wayne	2007		2007	2007	2008	2008	
90	Wells	2007		2007	2008	2009	2008	
91	White	2006	2007	2007	2007	2008	2008	
92	Whitley	2007		2007	2008		2008	
	2004	1	0	0	0	0	0	0
	2005	2	0	0	0	0	0	0
	2006	10	0	3	3	0	0	0
	2007	79	12	89	12	1	4	0
	2008	0	0	0	77	10	88	0
	2009	0	0	0	0	16	0	5
		92	**12**	**92**	**92**	**27**	**92**	**5**

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County	March 2008 Auditor Data	March 2008 Assessor Real Property AV	March 2008 Certified Levies	January 2009 Auditor Data	January 2009 Assessor Real Property AV	January 2009 Certified Levies	LOIT Begins 2009

Data Combinations

Auditor	Assessor	March 2008	January 2009
2004	None	1	0
2005	2007	2	0
2006	2007	10	1
2006	None	0	1
2006	2008	0	1
2007	None	79	3
2007	2008	0	9
2008	None	0	61
2008	2009	0	16
		92	**92**