

City of Warsaw, Indiana

*Illustrative Impact of Personal
Property Assessment Reduction
January 5, 2022*



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Factors Impacting BPP Assessments

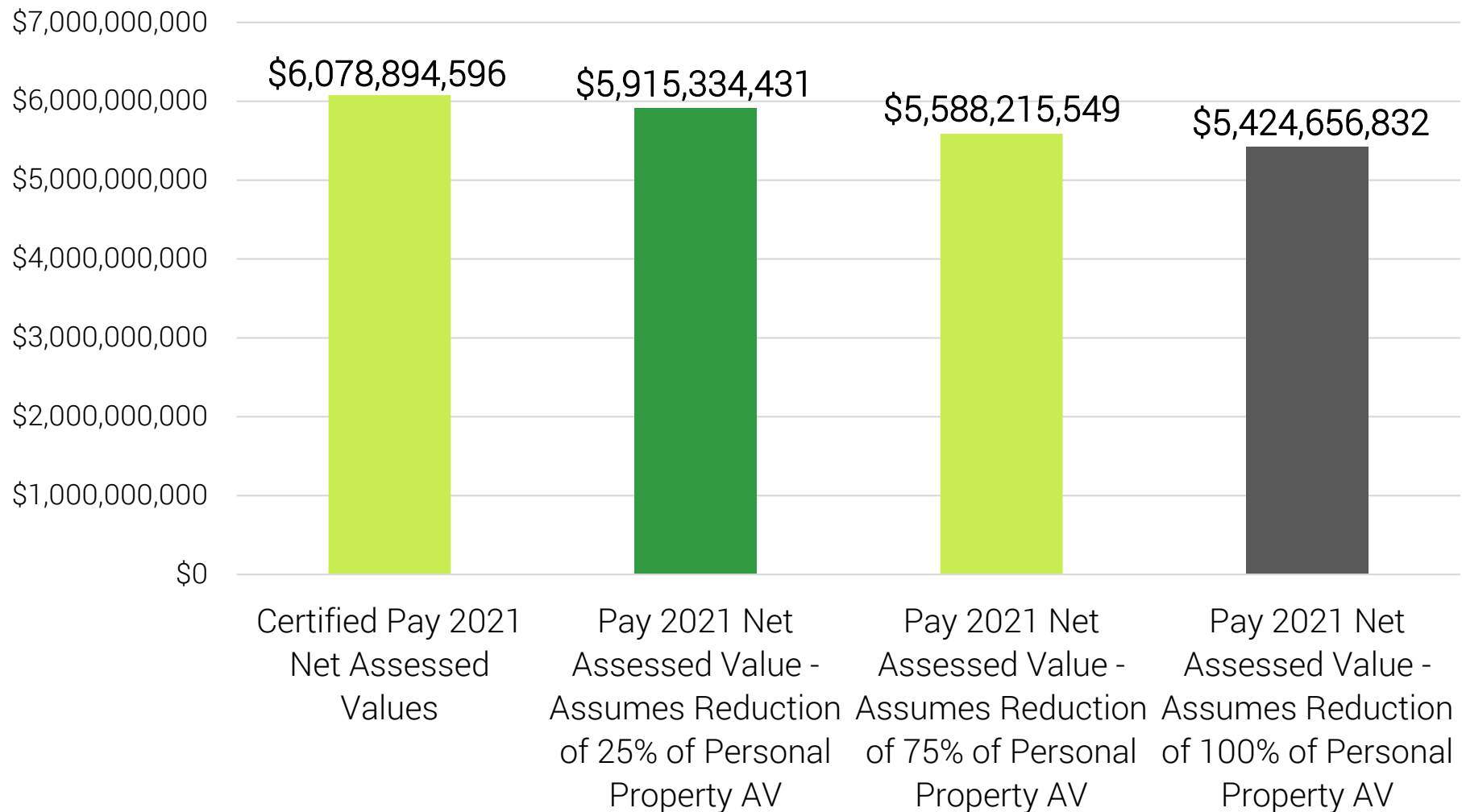
- The total investment mix of a company's Business Personal Property (BPP) in a taxing district is accounted for in the assessment calculations, which are based upon:
 - Equipment Acquisition costs
 - Equipment In-service dates
 - Equipment Depreciable life
 - Abatement deductions
- Equipment classified as "Special Tooling" is not subject to the 30% assessment "floor"
- Specific circumstances (e.g. abnormal obsolescence or equipment retirement) impact assessments

Model Assumptions

- Source Data: Certified property tax levies and rates for taxes payable in 2021.
- Assessed values are estimated using pay 2021 parcel data and the 2021 Kosciusko County Abstract.
- Does not assume a change in the Property Tax Relief component of the Local Income Tax (LIT). For 2021 Kosciusko County has no Property Tax Relief LIT Rate.
- Estimated effective tax rates are applied to each property tax bill to compute the amount of credits due to taxpayers.
- Assumes rates for rate-limited funds not subject to the maximum levy are held constant

Summary of Illustrative Change in Net Assessed Value

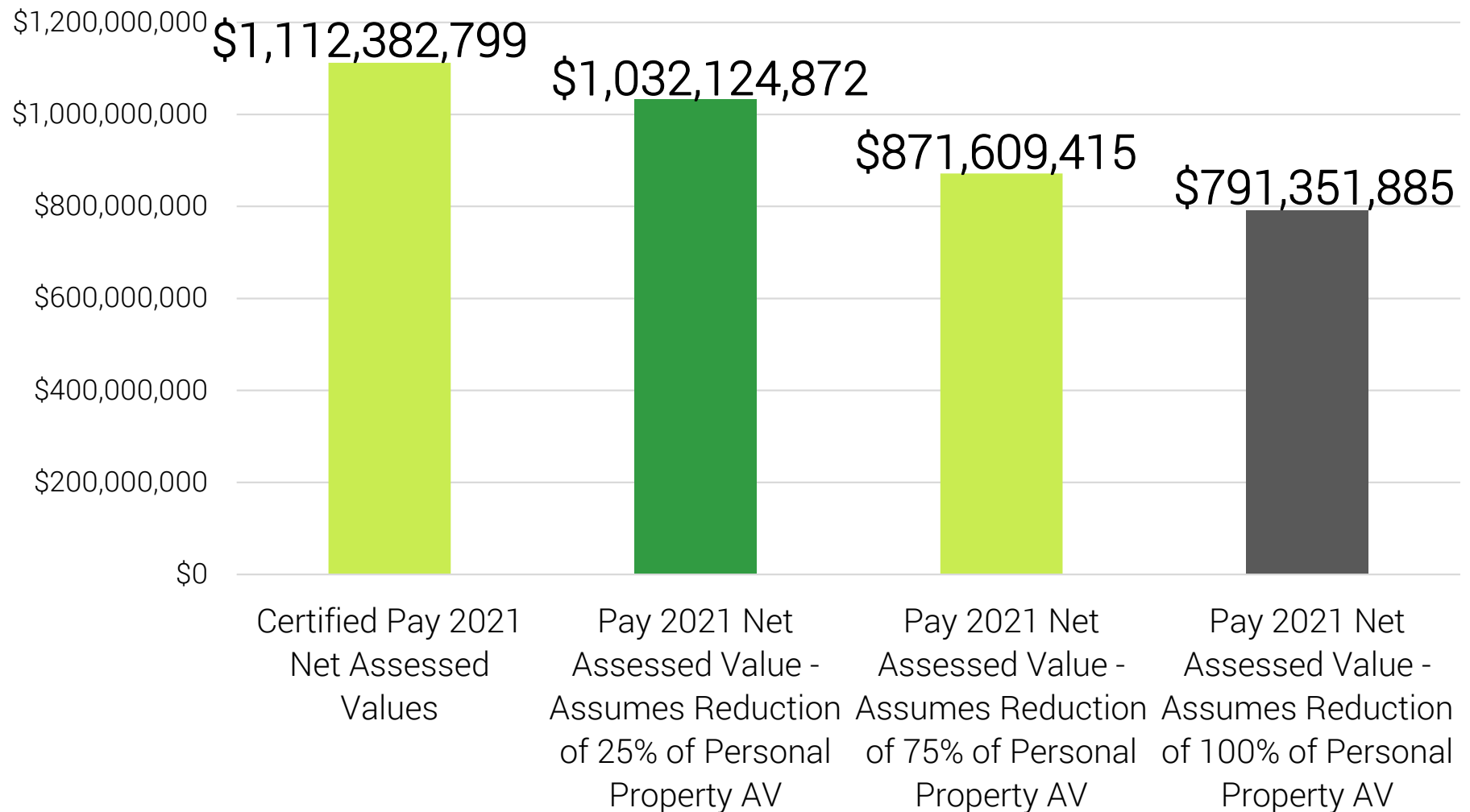
Kosciusko County



Note: Based on the 2021 Kosciusko County Abstract.

Summary of Illustrative Change in Net Assessed Value

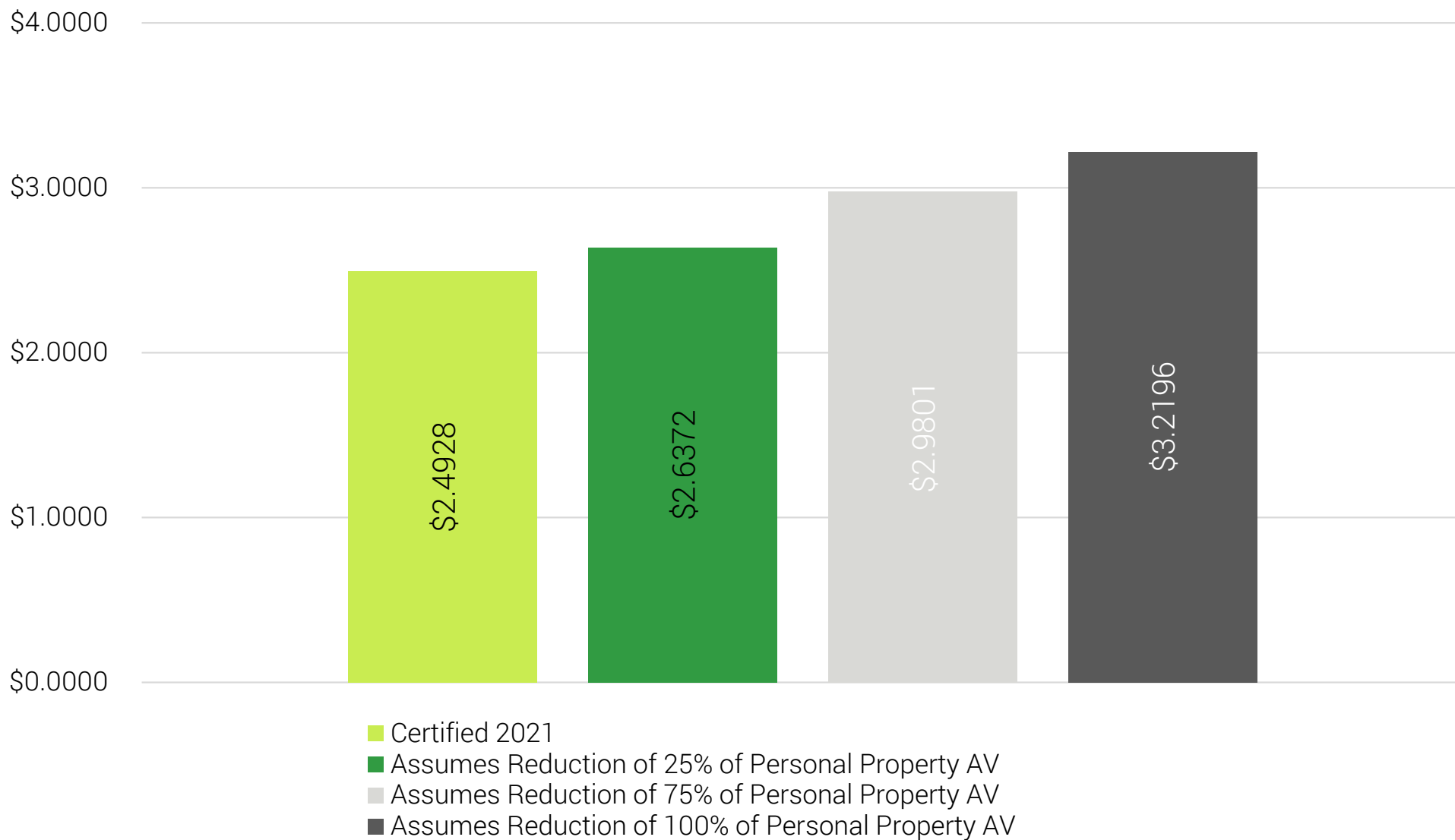
City of Warsaw



Note: Based on the 2021 Kosciusko County Abstract.

Summary of Illustrative Property Tax Rate Impact

Warsaw Plain Taxing District



Note: Based on certified pay 2021 property tax rates, levies, and abstract assessed values.

Summary of Illustrative Property Tax Rate Impact

Warsaw Taxing District



Note: Based on certified pay 2021 property tax rates, levies, and abstract assessed values.

Summary of Illustrative Property Tax Rate Impact

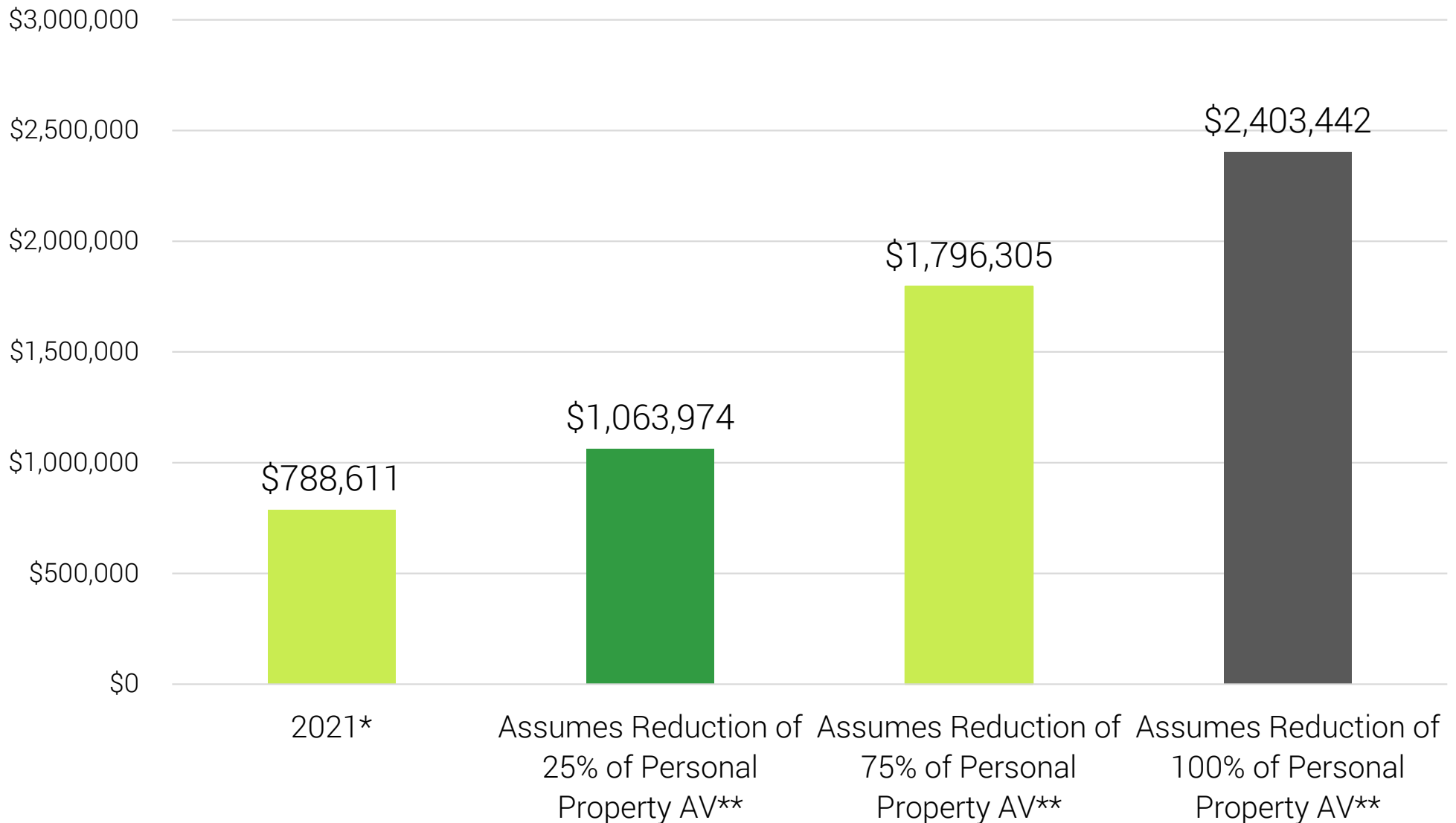
Warsaw Prairie Taxing District



Note: Based on certified pay 2021 property tax rates, levies, and abstract assessed values.

Summary of Illustrative Circuit Breaker Impact

City of Warsaw



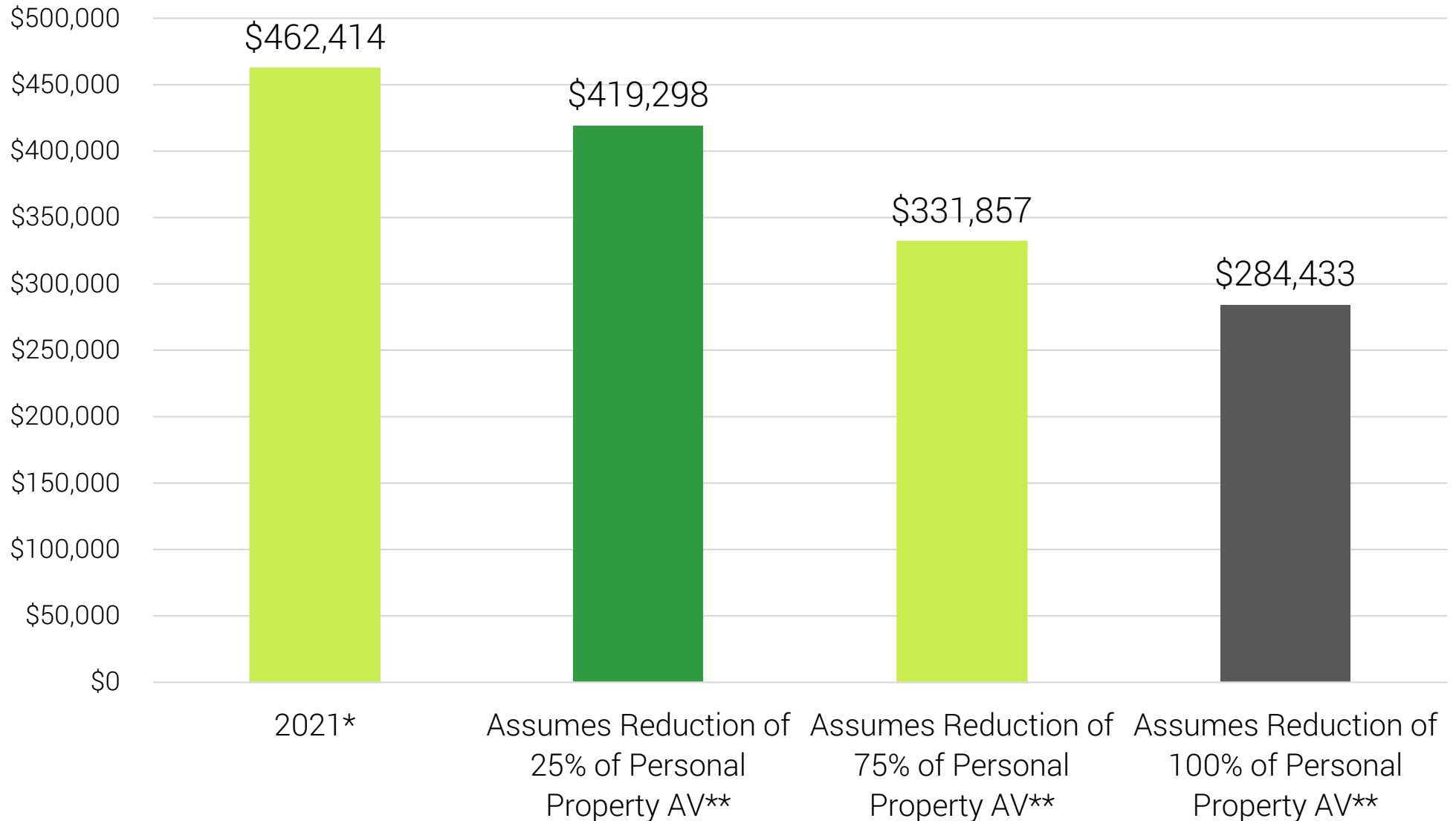
* Per the Department of Local Government Finance.

** Based on information provided by Policy Analytics, LLC.

Summary of Illustrative Cumulative Fund Impact

City of Warsaw

Cumulative Capital Development Fund Net Levy

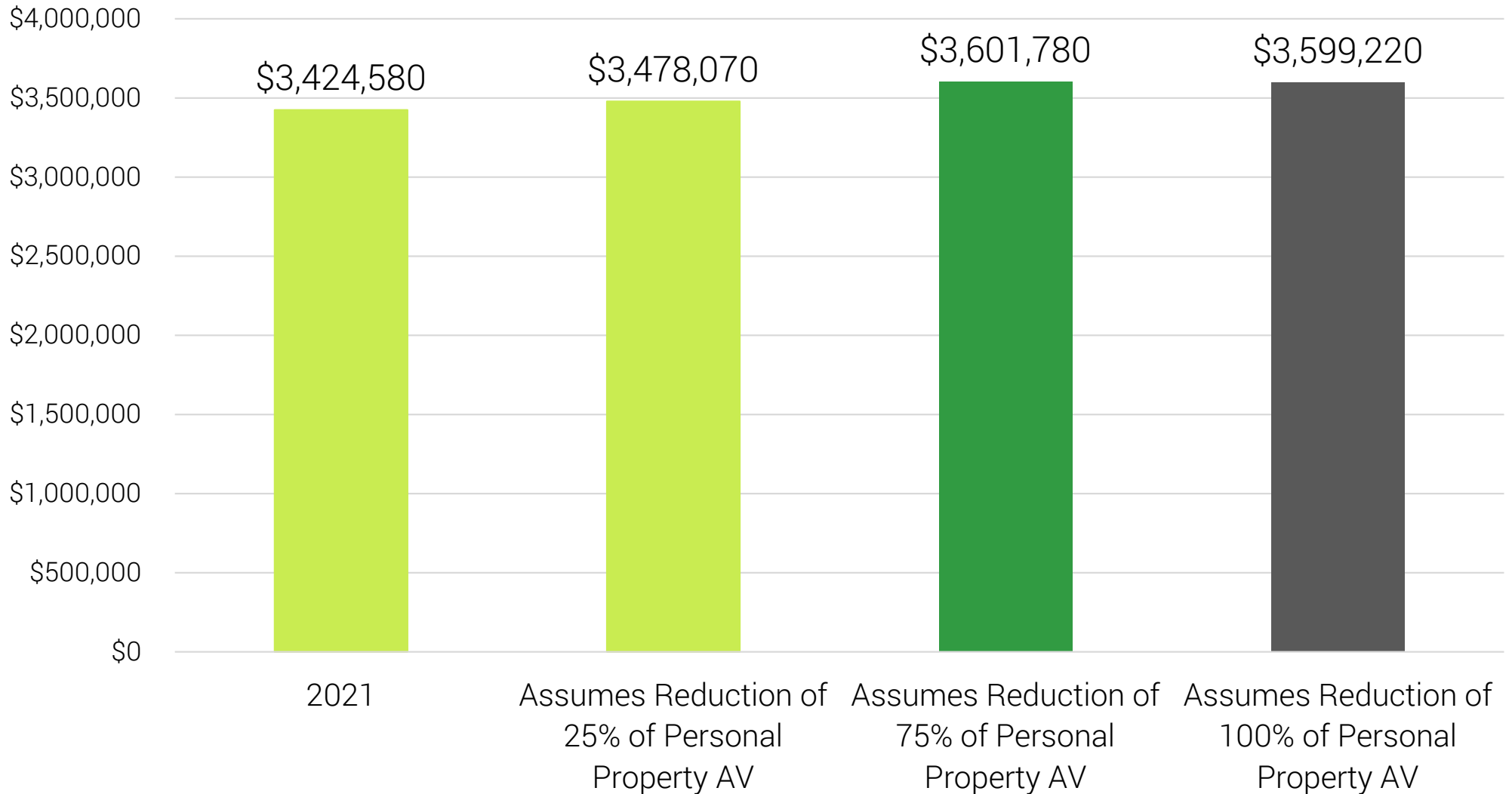


* Represents the 2021 certified levy, per the Department of Local Government Finance.

** Based on information provided by Policy Analytics, LLC.

Summary of Tax Increment Revenue Impact

City of Warsaw
Consolidated Northern Allocation Area



Note: Estimated based on the 2021 Kosciusko County Abstract. Includes \$9,636,070 of captured personal property assessed value from Warsaw Orthopedic \$10,742,940 of captured personal property assessed value from Winona PVD. Accounts for decrease in captured personal property assessed values offset by increase in tax rates resulting from overall personal property assessed value impacts. Future Winona PVD capture could affect the impacts shown above.

Illustrative Taxpayer Impact

Warsaw Plain Taxing District



		Current - Tax Year 2021	Assumes Reduction of 25% of Personal Property AV	Assumes Reduction of 75% of Personal Property AV	Assumes Reduction of 100% of Personal Property AV			
		Tax Rate (1): \$2.4928	Illustrative Tax Rate (2): \$2.6372	Illustrative Tax Rate (2): \$2.9801	Illustrative Tax Rate (2): \$3.2196			
Gross Assessed Value of Property	Net Assessed Value	Illustrative Annual Property Taxes	Illustrative Annual Property Taxes	Illustrative Annual Impact	Illustrative Annual Property Taxes	Illustrative Annual Impact	Illustrative Annual Property Taxes	Illustrative Annual Impact
<u>Residential Property</u>								
\$100,000	\$32,750 (3)	\$816.39	\$863.68	\$47.29	\$975.98	\$159.59	\$1,030.13	\$213.74
135,200 (4)	55,630 (3)	1,386.74	1,403.18	16.44	1,403.18	16.44	1,403.18	16.44
170,000	78,250 (3)	1,771.99	1,771.99	0.00	1,771.99	0.00	1,771.99	0.00
<u>1 Acre of Ag. Land (5)</u>								
\$1,290	\$1,290	\$26.99	\$26.99	\$0.00	\$26.99	\$0.00	\$26.99	\$0.00
<u>Commercial Property (6)</u>								
\$100,000	\$100,000	\$2,492.80	\$2,637.20	\$144.40	\$2,980.10	\$487.30	\$3,092.00	\$599.20

- (1) Represents the certified pay 2021 tax rate for the Warsaw Plain taxing district.
- (2) Based on the certified pay 2021 tax rate for the Warsaw Plain taxing district after the impact of removing the Personal Property from the assessed value.
- (3) Includes standard deduction at the lesser of \$45,000 or 60% of home value, the 35% supplemental homestead deduction and the \$3,000 mortgage deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied.
- (4) Represents the Median Home value for the City of Warsaw, per the 2015-2019 American Community Survey 5-Year estimates of the U.S. Census Bureau.
- (5) One acre of agricultural land. Represents the 2021 pay 2022 assessment of \$1,290 and no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 2% of gross assessed value for an agricultural parcel, is applied.
- (6) Assumes no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial parcel, is applied.

Note: Highlighted cells denote taxpayers at or above the respective Circuit Breaker Tax Credit amounts.

Illustrative Taxpayer Impact

Warsaw Taxing District



		Current - Tax Year 2021	Assumes Reduction of 25% of Personal Property AV	Assumes Reduction of 75% of Personal Property AV	Assumes Reduction of 100% of Personal Property AV			
		Tax Rate (1): \$2.4747	Illustrative Tax Rate (2): \$2.6129	Illustrative Tax Rate (2): \$2.9500	Illustrative Tax Rate (2): \$3.1603			
Gross Assessed Value of Property	Net Assessed Value	Illustrative Annual Property Taxes	Illustrative Annual Property Taxes	Illustrative Annual Impact	Illustrative Annual Property Taxes	Illustrative Annual Impact	Illustrative Annual Property Taxes	Illustrative Annual Impact
<u>Residential Property</u>								
\$100,000	\$32,750 (3)	\$810.46	\$855.72	\$45.26	\$966.13	\$155.67	\$1,030.13	\$219.67
135,200 (4)	55,630 (3)	1,376.68	1,403.18	26.50	1,403.18	26.50	1,403.18	26.50
170,000	78,250 (3)	1,771.99	1,771.99	0.00	1,771.99	0.00	1,771.99	0.00
<u>1 Acre of Ag. Land (5)</u>								
\$1,290	\$1,290	\$26.99	\$26.99	\$0.00	\$26.99	\$0.00	\$26.99	\$0.00
<u>Commercial Property (6)</u>								
\$100,000	\$100,000	\$2,474.70	\$2,612.90	\$138.20	\$2,950.00	\$475.30	\$3,092.00	\$617.30

- (1) Represents the certified pay 2021 tax rate for the Warsaw taxing district.
- (2) Based on the certified pay 2021 tax rate for the Warsaw taxing district after the impact of removing the Personal Property from the assessed value.
- (3) Includes standard deduction at the lesser of \$45,000 or 60% of home value, the 35% supplemental homestead deduction and the \$3,000 mortgage deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied.
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Note: Highlighted cells denote taxpayers at or above the respective Circuit Breaker Tax Credit amounts.

Illustrative Taxpayer Impact

Warsaw Prairie Taxing District



		Current - Tax Year 2021	Assumes Reduction of 25% of Personal Property AV	Assumes Reduction of 75% of Personal Property AV	Assumes Reduction of 100% of Personal Property AV			
		Tax Rate (1): \$2.5122	Illustrative Tax Rate (2): \$2.6511	Illustrative Tax Rate (2): \$2.9897	Illustrative Tax Rate (2): \$3.2007			
Gross Assessed Value of Property	Net Assessed Value	Illustrative Annual Property Taxes	Illustrative Annual Property Taxes	Illustrative Annual Impact	Illustrative Annual Property Taxes	Illustrative Annual Impact	Illustrative Annual Property Taxes	Illustrative Annual Impact
<u>Residential Property</u>								
\$100,000	\$32,750 (3)	\$822.75	\$868.24	\$45.49	\$979.13	\$156.38	\$1,030.13	\$207.38
135,200 (4)	55,630 (3)	1,397.54	1,403.18	6.54	1,403.18	5.64	1,403.18	5.64
170,000	78,250 (3)	1,771.99	1,771.99	0.00	1,771.99	0.00	1,771.99	0.00
<u>1 Acre of Ag. Land (5)</u>								
\$1,290	\$1,290	\$26.99	\$26.99	\$0.00	\$26.99	\$0.00	\$26.99	\$0.00
<u>Commercial Property (6)</u>								
\$100,000	\$100,000	\$2,512.20	\$2,612.90	\$138.90	\$2,989.70	\$477.50	\$3,092.00	\$579.80

- (1) Represents the certified pay 2021 tax rate for the Warsaw Prairie taxing district.
- (2) Based on the certified pay 2021 tax rate for the Warsaw Prairie taxing district after the impact of removing the Personal Property from the assessed value.
- (3) Includes standard deduction at the lesser of \$45,000 or 60% of home value, the 35% supplemental homestead deduction and the \$3,000 mortgage deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied.
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