

Porter County

Senate Enrolled Act 1 Property Tax Reform

June 24, 2025

Homestead Property Tax Deductions & Credits

	2025	2026	2027	2028	2029	2030	2031
Standard Deduction	\$48,000	\$48,000	\$40,000	\$30,000	\$20,000	\$10,000	\$0
Supplemental Homestead Deduction	37.5%	40%	46.0%	52.0%	57.0%	62.0%	66.7%
Supplemental Homestead Credit		Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill	Lesser of \$300 or 10.0% of net property tax bill
65 & over (Credit)		\$150	\$150	\$150	\$150	\$150	\$150
Disabled homeowner (Credit)		\$125	\$125	\$125	\$125	\$125	\$125

“65 and Over” Credit Qualification Threshold:

- For a **single filer**, the adjusted gross income must not exceed **\$60,000**.
- For a **joint filer**, the adjusted gross income must not exceed **\$70,000**.

Income eligibility is based on the calendar year **two years prior** to the year in which the property taxes are due.

Homestead Property Tax Deductions & Credits

	2025	2026	2027	2028	2029	2030	2031
Home Value (1)	\$240,714	\$240,714	\$240,714	\$240,714	\$240,714	\$240,714	\$240,714
Standard Deduction	\$48,000	\$48,000	\$40,000	\$30,000	\$20,000	\$10,000	\$0
Supplemental Homestead Deduction	<u>\$72,267</u>	<u>\$77,086</u>	<u>\$92,328</u>	<u>\$109,571</u>	<u>\$125,807</u>	<u>\$143,043</u>	<u>\$160,556</u>
Net Assessed Value	\$120,446	\$115,628	\$108,386	\$101,143	\$94,907	\$87,671	\$80,158
Annual % +/-		-4.0%	-6.3%	-6.7%	-6.2%	-7.6%	-8.6%

Note: For comparison purposes, the Net Assessed Value (Net AV) is calculated with the assumption that the home value and market trends remain unchanged.

(1) Indiana average home value per Zillow, Inc. [Indiana Housing Market: 2025 Home Prices & Trends | Zillow](#).



2% Bucket property tax deductions

	2025	2026	2027	2028	2029	2030	2031
Standard Deduction	0%	6%	12%	19%	25%	30%	33.4%

Agricultural Land: The formula has changed and is anticipated to decrease land assessed value.



Business Personal Property

	2025	2026	2027
De minimus exemption	\$80,000	\$80,000	\$2,000,000

Removes 30% personal property floor for equipment placed in service after January 1, 2025. Except for taxpayers in an existing TIF area.



Max Levy Growth Quotient (MLGQ)

- MLGQ capped at 4% again in 2026. Was estimated at 5.6% without the cap.
- After 2026 the MLGQ will be based on the current formula (6-year average of non-farm personal income).
- Beginning in 2029 (for budget year 2030), the budgeted property tax levy may not exceed the levy of the preceding annual budget unless the fiscal body adopts an ordinance affirming a tax rate and tax levy increase following a separate public hearing no later than 15 days before the regular budget public hearing.

Property Tax Levies, NAVs and Tax Rates

	Fund (1)	Certified Property Tax Levies	Net Assessed Value	Property Tax Rates
2025	General	\$40,230,107	\$14,434,914,560	\$0.2787
	2015 Reassessment	577,397	14,434,914,560	0.0040
	Cumulative Bridge	7,563,895	14,434,914,560	0.0524
	Health	1,255,838	14,434,914,560	0.0087
	Cumulative Capital Development	<u>2,598,285</u>	14,434,914,560	<u>0.0180</u>
	Totals		<u>\$52,225,522</u>	

	Fund (1)	Certified Property Tax Levies (Illustrative)	Net Assessed Value (3) (Illustrative)	Property Tax Rates (Illustrative)
2031	General (2)	\$54,373,743	\$11,547,931,648	\$0.4709
	2015 Reassessment (2)	780,392	11,547,931,648	0.0068
	Cumulative Bridge	6,051,116	11,547,931,648	0.0524
	Health (2)	1,589,036	11,547,931,648	0.0138
	Cumulative Capital Development	<u>2,078,628</u>	11,547,931,648	<u>0.0180</u>
	Totals		<u>\$64,872,915</u>	

Formula: (Levy/Net Assessed Value)*100 = Property Tax Rate

(1) Excludes bond payments

(2) Assumes 4% growth annually.

(3) Assumes the 2031 NAV is reduced to 80% of 2025's NAV due to SEA1 changes.



Property Tax Levies, NAVs and Tax Rates

2025 Certificate Of Net Assessed Values

1%	\$ 8,773,701,371
2%	3,346,721,646
3%	1,943,202,025
Business Personal Property	<u>1,456,236,628</u>
Net Assessed Value	15,519,861,670
Less: TIF AV	(1,084,947,110)
Less: Withholding	<u>-</u>
2025 Certified Net Assessed Value	<u><u>\$ 14,434,914,560</u></u>

Represents pay 2025 values per the Porter County Budget order and the Certificate of Net Assessed Values



Circuit Breaker Loss

<u>Fund</u>	<u>Levies Based on Abstract AV</u>	<u>Circuit Breaker Loss</u>	<u>Net Property Tax Receipts</u>	<u>Circuit Breaker %</u>
General	\$40,510,723	\$1,372,604	\$39,138,119	3.41%
2015 Reassessment	581,424	19,700	561,724	3.41%
Cumulative Bridge	7,616,656	258,071	7,358,585	3.41%
Health	1,264,597	42,848	1,221,749	3.41%
Cumulative Capital Development	2,616,408	88,650	2,527,758	3.41%
Totals	<u>\$52,589,808</u>	<u>\$1,781,873</u>	<u>\$50,807,935</u>	

Represents pay 2025 values per the Porter County Budget Order.
Excludes CB related to bonds.



Tax Bill Calculation Example (Valparaiso)

Residential home value	2025 \$200,000	2031 (Illustrative) \$200,000
Net Assessed Value (after deductions)	\$95,000	\$66,600
Valparaiso tax rate	\$2.5011	\$3.501
Tax bill with district tax rate (Valparaiso tax rate)	2,376	2,332
PTRC	0	0
Credit due to 1% Circuit Breaker Tax Caps	(376)	(332)
Tax Bill	<u>\$2,000</u>	<u>2,000</u>
Supplemental Homestead Credit		(200)
Net Tax Bill		<u>\$1,800</u>

Allocation of Circuit Breaker and Homestead Credits – within Taxing District

Valparaiso Civil Town Taxing District		
Taxing Unit	2025	2031
Porter County	\$ 58	\$ 81
Center Township	3	4
Valparaiso Civil Town	174	246
Valparaiso Community School Corporation	131	187
Porter County Public Library	9	12
Porter County Airport Authority	1	2
Totals	\$376	\$532



TIF Neutralization

In addition to annual neutralization of trending, allows DLGF neutralization of the following:

- Downward adjustment to neutralize windfalls resulting from tax rate increases as a result of SB 1
- Upward adjustment to ensure bond coverage if impaired as a result of SB 1

Local Income Tax – Porter County

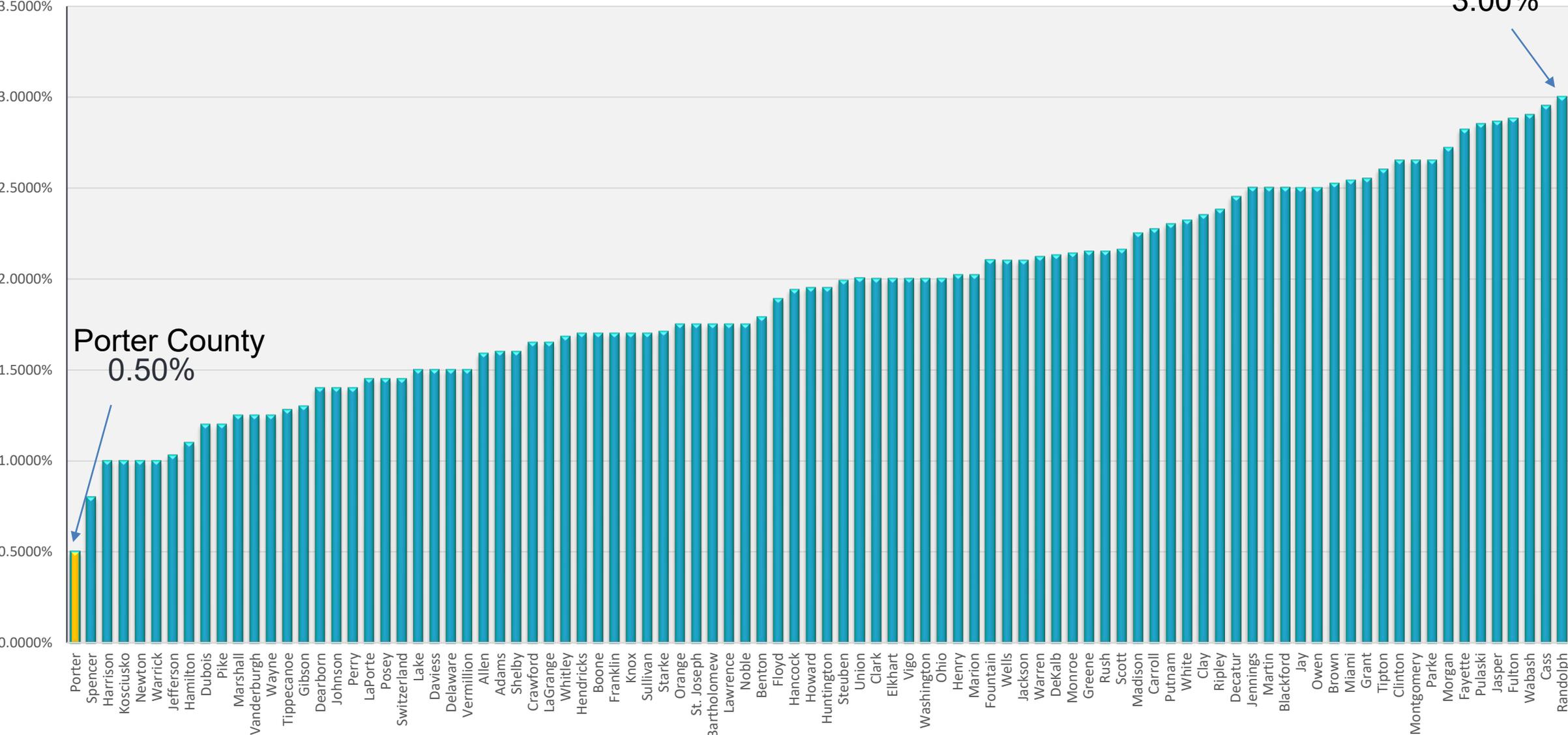
LOCAL INCOME TAX DISTRIBUTIONS – Porter County						
Year	Certified Shares	Public Safety	EDIT	EMS	PSAP	Totals
2025	\$0	\$0	\$7,387,315	\$0	\$0	\$7,387,315

Local Income Tax	Type	Maximum Rate	2025 Certified Rate - Porter County	Rate Capacity
Certified Shares	Expenditure	N/A	0.0000%	
Public Safety	Expenditure	N/A	0.0000%	
Economic Development	Expenditure	N/A	0.5000%	
LIT Correctional or Rehabilitation Facilities	Expenditure	0.2000%	0.0000%	0.2000%
EMS	Expenditure	0.2000%	0.0000%	0.2000%
Judicial System	Expenditure	0.2000%	0.0000%	0.2000%
Total - Expenditure LIT		2.5000%	0.5000%	2.0000%
Property Tax Relief	PTR	1.2500%	0.0000%	1.2500%
Special Purpose	Special Purpose	N/A	0.0000%	
Grand Total - All LIT			0.5000%	

- First .25% is distributed to the County and municipalities before the rest of the expenditure rate revenue is distributed.
- The next \$3,500,000 of revenue shall be made available to make transfers to the treasurer of the northwest Indiana Regional Development Authority.
- The remaining excess revenues described above must be used by the County, Cities, and Towns for homestead credits.



2025 Certified Local Income Tax Rates



Changes to County Income Tax

- Eliminates Local Income Tax Councils (July 1, 2027)
- Requires all LIT rates to be affirmed by October 1, 2027 to continue in 2028
- Beginning in 2031, rates must be readopted every year – which raises credit concerns
- Implements new limits to the overall rates and the rates which can be passed through to certain overlapping taxing units

New County Income Tax Limits (eff. 7/1/27)

- Expenditure Rate – 2.9% (currently 2.5% or 2.75% in Marion Co.)
 - 1.2% - General Revenue
 - .4% - Fire Protection and EMS
 - .2% - Distribution to “Nonmunicipal Units” (ex. townships, libraries, special taxing districts – excludes fire districts and schools) – but capped at .05% per type of unit
 - First three cannot exceed 1.7%
 - 1.2% - General Revenue for Cities and Towns (w/ population <3,500)
- Property Tax Relief – Expires 12/31/27
 - BUT new .3% for homestead property tax relief only available 7/1/25-12/31/27
- Special Purpose Rate – Remains the same

City & Town Local Income Tax – Limits & Use

- Treated as general revenue – broadly available funds
- Limited to 1.2%
- Beginning in 2031, this rate must be readopted every year – which raises credit concerns

New County Income Tax Limits (Effective Beginning of 2028)

INDIANA LOCAL INCOME TAX - NEW LEGISLATION
(Effective beginning in 2028)

Expenditure Rate - 2.9% max combined rate						LIT Special Purpose
	County Services (1)	Fire Protection & EMS (1)	Non-Municipal (1)	Municipalities population <3,500 (2)	Municipalities population at least 3,500	
Max Rate	1.20%	0.40%	0.20% (3)	1.20%	1.20%	Dependent upon legislation
Adopting Body	County	County	County upon petition from non-municipal units	County upon petition from municipal units	Municipalities	County
Tax Base	AGI of local taxpayers of County	AGI of local taxpayers of County	AGI of local taxpayers of County	AGI of local taxpayers of County excluding those that live in municipalities with a population of at least 3,500	AGI of local taxpayers of municipality	AGI of local taxpayers of County
Uses	Same uses as the General Fund.	Fire Protection & EMS	Same uses as the General Fund.	Same uses as the General Fund.	Same uses as the General Fund.	May be implemented for a specific purpose (like a jail project) by a particular county through special legislation.
Distribution	County	Fire Districts and Territories, Municipal Fire Departments and at the discretion of the County Council, may also be distributed to Township Fire Departments and Volunteer Fire Departments. Allocations based on a formula that includes population and coverage area.	Townships, Libraries and binding review units (excludes FPD's and Schools). Allocations by unit type on a pro rata per capita basis.	Municipalities population <3,500 based on a pro rata per capita basis.	Municipalities population at least 3,500	County unit only

Notes:

- (1) The combined rate for County Services, Fire Protection/EMS, and Non-Municipal may not exceed 1.7%.
- (2) A County that adopts the maximum County Services rate of 1.2% and subsequently adopts the Municipal under 3,500 population LIT may retain 75% for County purposes. The remaining 25% will be distributed to municipalities under 3,500 population that requested to receive a share of LIT.
- (3) For any given unit type, the tax rate may not exceed .05%.
- (4) Beginning after December 31, 2030, expenditure rates expire on December 31 each year unless renewed by an ordinance by October 1 of each year.
- (5) A Homestead property tax relief LIT of up to .3% is available for the County to implement in 2026 and 2027 (expires 12/31/2027).



Effective Date of Ordinances

Deadline to Adopt	Effective	Year Received
October 31, 2025	January 1, 2026	2026
October 31, 2026	January 1, 2027	2027
October 1, 2027*	January 1, 2028	2028

*SEA 1 changes the deadline from October 31 to October 1 beginning in 2027.

Road Funding

- Reduces the percentage that counties and municipalities are required to allocate to MVH Restricted from 50% to 40% under the condition that both of the following criteria are met: the average pavement quality (PASER) ratings are a minimum of 6 in the previous calendar year, and no more than 15% of the highways are classified as being in failed condition.
- Community Crossings Matching Grant (CCMG)
 - Lowers the local match obligation from 25% to 20% for:
 - Counties with populations below 50,000
 - Municipalities with populations under 10,000
 - While adopting a wheel tax is not mandatory to access CCMG funds, local units are encouraged to implement the tax to be eligible for an extra distribution based on total lane mileage.
- Clarifies that a municipality is liable for maintaining a bridge located within its corporate limits if it is less than twenty (20) feet in length and not part of the state highway system. (This could lead to reduced county expenses for bridge maintenance.)

Questions?

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