

ORDINANCE 2006-1

WARREN COUNTY COUNCIL

ORDINANCE IMPOSING THE COUNTY ECONOMIC DEVELOPMENT
INCOME TAX TO MITIGATE THE INCREASED AD VALOREM PROPERTY TAXES
ON HOMESTEADS RESULTING FROM THE STATEWIDE DEDUCTION FOR
INVENTORY UNDER IC 6-1.1-12-42

WHEREAS, IC 6-3.5-7-5 and IC 6-3.5-7-26 (collectively, the "Act") permit any entity that may impose the county economic development income tax to adopt an ordinance imposing the county economic development income tax at a rate that does not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads in the county ("Homestead Credit EDIT") resulting from the statewide deduction for inventory under IC 6-1.1-12-42 ("State Deduction");

WHEREAS, the Act permits the County to determine whether the revenues from the Homestead Credit EDIT will be used to provide increased homestead credits either: (A) applied uniformly throughout the County; or (B) allocated to each taxing district in the County in the same proportion that the amount of the State Deduction in the taxing district for the immediately preceding year's assessment date bears to the total State Deduction in the county for the immediately preceding year's assessment date;

WHEREAS, the Council now desires to adopt an ordinance imposing the Homestead Credit EDIT and to provide for increased homestead credits allocated to each taxing district in the County in the same proportion that the amount of the State Deduction in the taxing district for the immediately preceding year's assessment date bears to the total State Deduction in the county for the immediately preceding year's assessment date;

NOW, THEREFORE, BE IT ORDAINED BY THE WARREN COUNTY COUNCIL:

1. Warren County ("County") hereby imposes the Homestead Credit EDIT, in accordance with IC 6-3.5-7-5(p) to provide for additional homestead credits in the County to mitigate the effect of the State Deduction on homesteads.

2. The Warren County Council increases the county economic development income tax rate imposed upon the county taxpayers of the county seven hundredths of one percent (.07%) for such Homestead Credit EDIT, from twenty five hundredths of one percent (.25%) to thirty two hundredths of one percent (.32%).

3. The certified distribution received by the County as a result of the Homestead Credit EDIT ("Homestead Credit Certified Distribution") received by the County shall be used after the 2005 assessment year to increase the percentage of the homestead credit allowed in the County under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the County resulting from the State Deduction.

4. The Homestead Credit Certified Distribution shall be retained by the County Auditor and used to increase the percentage of the homestead credit allowed in the County under IC 6-1.1-20.9 to offset the effect on homesteads in the County resulting from the State Deduction after the 2005 assessment year.

5. The County Auditor shall, for each calendar year in which an increased homestead credit percentage is authorized, determine:

(A) the amount of the Homestead Credit Certified Distribution that is available to provide an increased homestead credit percentage for the year; and

(B) an increased percentage of homestead credit for each taxing district in the County that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (A) that the amount of the State Deduction in the taxing district for the immediately preceding year's assessment date bears to the total State Deduction in the County for the immediately preceding year's assessment date.

6. The County Auditor shall record all votes taken on this ordinance and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the Department of State Revenue by certified mail.

7. This ordinance takes effect upon passage but the tax rate increase takes effect July 1 of this year.

Passed this 7th day of March, 2006.

WARREN COUNTY COUNCIL

Steve McIntosh
Presiding Officer

George Taylor

Jack Clark

John Layton

Frank

David H. Bow

R. J. Stroud

ATTEST:

Michael Hiteck
Auditor of Warren County

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