

Bartholomew County

Legislative Overview Discussion

Senate Enrolled Act 1, 2025

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Reedy Financial Group, PC

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2025 SEA 1 & HEA 1461 Key Takeaways

The following are summaries and key takeaways of SEA 1 & HEA 1461 that were passed in the 2025 Legislative Session.

Current LIT Structure

- LIT Rates set by County Council (Previously CAGIT County)
- Expenditure Rate Cap – 2.50%
 - Includes different expenditure rates
 - **Certified distributions based on tax levy relative to all tax levies in County**
- Total LIT Cap – 3.75% (no county currently levies this amount)
- Bartholomew County Total LIT Rate – 1.7500%:
 - Certified Shares – 1.2500%
 - Public Safety – 0.0500%
 - Economic Development – 0.2500%
 - Jail/Correctional – 0.2000% (Only goes to County)
- County's 2025 Total Certified LIT: \$23,179,223
 - Columbus total is ~ \$26M
 - BCSC total is ~ \$2M

SEA 1 – New LIT Structure

	County Services	Fire Protection & EMS	Nonmunicipal Civil Taxing Unit	Small Cities & Towns (<3,500)	Large Cities & Towns (>3,500)
Max Rate	1.2%*	0.4%*	0.2%*	1.2%	1.2%
Adopting Body	Fiscal Body of County	Fiscal Body of County	Fiscal Body of County	Fiscal Body of County	Fiscal Body of City or Town
Tax Base	All individuals residing in County	All individuals residing in County	All individuals residing in County	All individuals residing in County except for those in large Cities & Towns	All individuals within the large City or Town
Distribution	County	Fire territories/districts, municipal fire departments, maybe townships and volunteer providers	Townships, libraries and others	Small Cities & Towns but County may keep up to 75%	The large City or Town imposing the tax

*May not exceed 1.7% in total

County Specific; Columbus & Edinburgh will control their own Rates

Legislative Update

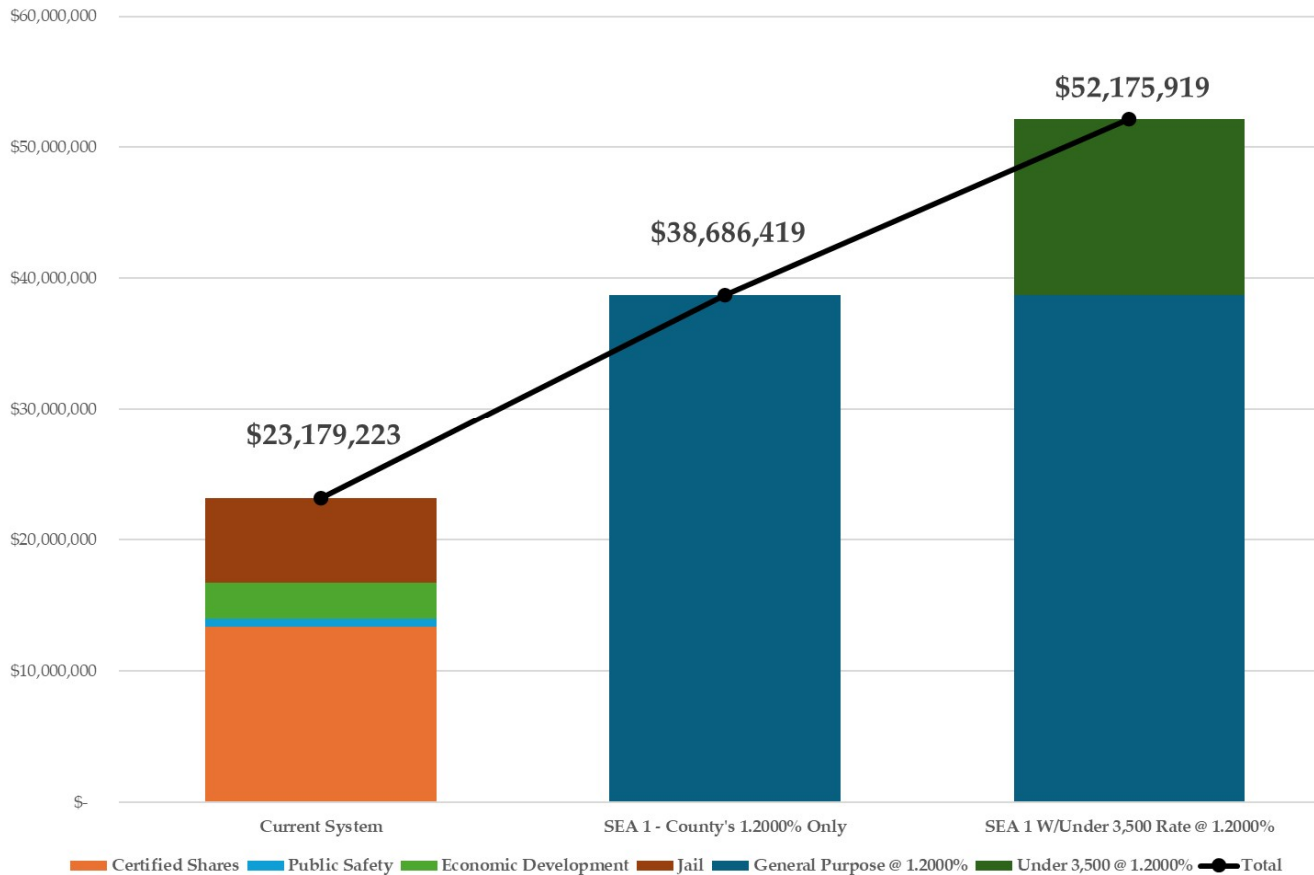
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LIT Changes - Key Takeaways & Questions

- **Slight Change of LIT Rate Control**
 - **County-wide LIT rates controlled by County Council**
 - **0.4% Fire Protection/EMS is set by the County. If implemented, Municipalities and Fire Territory would share in this 0.4% based on population/service area.**
- **LIT Rate (1.7500%) no longer applied across the County**
- **Cities/Towns over 3,500 population and the County will set rates for themselves**
- **What will the County's AGI be? What are adequate rates? What will the other units do? County-wide cooperation among units will be needed to properly project taxpayer and unit impacts.**
- **How will LIT certifications work moving forward? What happens to the existing LIT trust balances held by the State? Currently No AGI Database**

SEA 1 Impact Projections – County LIT

SEA 1 LIT Versus Current System



- Under SEA 1, the County would receive approximately \$15.5 million more LIT than it currently receives with its own rate of 1.2000% only
- If the County decides to max out the Under 3,500 LIT Rate at 1.2000%, they will receive another \$13.5 million; for a combined total of \$28.9 million more LIT than under the Current System

SEA 1 Impact Projections – Under 3,500 LIT

Local Income Tax Projections - Under 3,500 Population LIT

LIT Rate:	0.3%	0.6%	0.9%	1.2%	Allocation
Bartholomew County	\$ 3,372,375	\$ 6,744,750	\$ 10,117,125	\$ 13,489,500	75%
Clifford	\$ 71,902	\$ 143,804	\$ 215,706	\$ 287,608	2%
Elizabethtown	\$ 142,401	\$ 284,802	\$ 427,203	\$ 569,603	3%
Hartsville	\$ 111,185	\$ 222,370	\$ 333,555	\$ 444,740	2%
Hope	\$ 736,205	\$ 1,472,411	\$ 2,208,616	\$ 2,944,822	16%
Jonesville	\$ 62,432	\$ 124,864	\$ 187,296	\$ 249,728	1%
Total:	\$ 4,496,500	\$ 8,993,000	\$ 13,489,500	\$ 17,985,999	100%

- Under SEA 1, the County Council may adopt a LIT Rate up to 1.2000% for its Cities/Towns with population below 3,500
- This rate will be paid by all taxpayers County-wide, except those within Columbus' and Edinburgh's Corporate Boundaries
- If the County maxes out its own LIT Rate of up to 1.2000%, the County keeps 75% of this total pool of LIT (highlighted gold)

SEA 1 Impact Projections – Fire/EMS LIT

County Option Fire/EMS LIT - Distribution Calculation Projections

Taxing Unit	Step 1: Population (1)	Step 2: Sq. Miles	Step 3: Sq Miles x 20	Step 4:		Step 6: Distribution
				Step 1 + Step 3	Step 5: % Allocation	
Columbus	50,474	28.666	573.32	51,047	87.6%	\$ 11,296,107
Clifford	205	0.088	1.76	207	0.4%	\$ 45,753
Edinburgh (2)	363	0.7973	15.95	379	0.7%	\$ 83,856
Elizabethtown	406	0.261	5.22	411	0.7%	\$ 90,998
Hartsville	317	0.325	6.50	324	0.6%	\$ 71,586
Hope	2,099	0.952	19.04	2,118	3.6%	\$ 468,695
Jonesville	178	0.145	2.90	181	0.3%	\$ 40,031
Ohio Twp Fire Territory	2,787	41.06	821.20	3,608	6.2%	\$ 798,448
Total:	56,829	41.06	1445.89	58,275	100.0%	\$ 12,895,473

- **Municipalities, which provide fire protection, fire territories, and fire districts are automatically included in the distribution formula for Fire/EMS LIT**

(1): Per 2020 US Decennial Census

(2): Estimation using 2020 Decennial Census and Beacon

Comments From General Assembly Members & Professionals

- 1% Properties will be capped at \$3.0000 property tax rate by 2031 under SEA 1
 - Flat 66.67% deduction
- 2% Properties will be capped at \$3.0000 property tax rate by 2032 under SEA 1
 - Flat 33.34% deduction
- 3% (Commercial/Industrial) Property already capped at \$3.0000 property tax rate
- IGA long-term Plan
 - All tax districts Statewide capped at \$3.0000 – Indiana becomes Rate-Controlled State (like nearly all other States)
 - Individual unit rate caps TBD
 - Elimination of maximum property tax levy growth quotient
 - New property tax levy/increase in tax bills driven solely by net assessed value growth and/or referendum
 - Impacts will vary greatly among individual units

SEA 1 - Property Tax Deductions

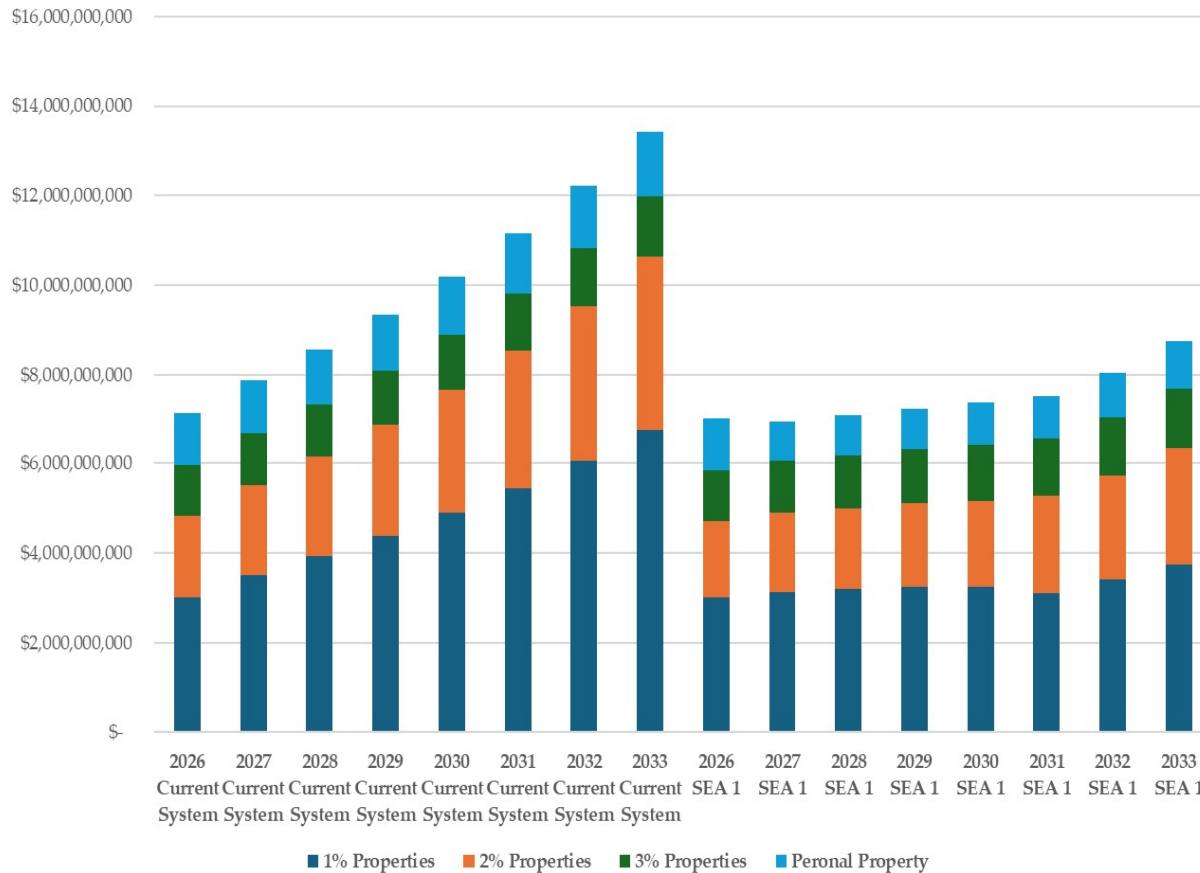
- Homestead Deduction Phasing Out
 - 2025 - \$48,000
 - 2026 - \$40,000
 - 2027 - \$30,000
 - 2028 - \$20,000
 - 2029 - \$10,000
 - 2030 - \$0
- 2% Property Deduction Phase-In
 - 2025 – 0%
 - 2026 – 6%
 - 2027 – 12%
 - 2028 – 19%
 - 2029 – 25%
 - 2030 – 30%
 - 2031 – 33.4%
- Supplemental Deduction Phase-In
 - 2025 – 35% of AV
 - 2026 – 40% of AV
 - 2027 – 46% of AV
 - 2028 – 52% of AV
 - 2029 – 57% of AV
 - 2030 – 62% of AV
 - 2031 – 66.7% of AV
- Other Property Tax Impacts
 - Homestead – Tax liability X 0.1 up to \$300
 - Over 65 - \$150
 - Blind & Disabled - \$125
 - Total New Credits 2026 = \$9,211,608 across all Taxing Districts; roughly \$1.8 million allocated to County
 - Removing several deductions
 - 4% Growth Quotient in 2026

SEA 1 – Net Assessed Value Changes

- **Assessed Values Changes – Across All Taxing Districts (42,874 Parcels)**
 - **1% Residential Properties:**
 - Change – Shift away from fixed homestead deduction to a % based supplemental deduction.
 - Impact – Net assessed values will fall over time for homeowners as they shift to a % based deduction system, fully phased in by 2031, assuming assessment growth does not keep up.
 - **Comments – 2026 NAV loss of \$1.9 Million: 2033 NAV loss of \$3 billion**
 - **2% Agricultural/Multi-Family Units:**
 - Change – New assessment deductions phasing in annually until 2031 with a 33.34% deduction
 - Impact – same concept as 1% comment
 - **Comments – 2026 NAV loss of \$110.4 million: 2033 NAV loss of \$1.3 billion**
 - **3% Commercial/Industrial Properties**
 - Change – Business Personal Property (BPPT) exemption will go from \$80,000 to \$2,000,000. BPPT depreciation floor elimination on new assets.
 - Impact – Net assessed values will fall over time as BPPT assets fully depreciate.
 - **Comments – No loss for 2026 (exemption doesn't hit until 2027): 2033 NAV loss of \$377.5 million**
- **General Thoughts - If overall net assessed value growth does not outpace the expected 4% annual maximum levy growth, certified tax rates will go up.**
- **New Residential Tax Credit**
 - Change - 1% residential properties will also receive a tax credit up to \$300 per year.
 - Impact – Dollar for dollar loss of revenue to the overlapping taxing units.
 - **Comments – Impacts vary by Taxing Unit – The County, Columbus, and BCSC have the highest risk exposure due to being the largest taxing units**

SEA 1 Impact Projections – Net Assessed Value

Net Assessed Value Projections



- Parcel-by-parcel analysis (BASE AV ONLY) assumes average annual gross assessment growth; roughly 9.8% for homesteads (1%), 13.4% for 2%, and 5.4% for 3% and Personal Property
- Key Takeaway 1 - NAV will be lower under SEA 1 due to increased deductions
- Key Takeaway 2 – Property tax rates will be higher under SEA 1; all else equal (Rate = Levy/NAV x 100)
- Key Takeaway 3 – Higher property tax rates = more circuit breaker credits = lower net property tax levy

SEA 1 - Property Tax Impact Projections

SEA 1 - Total Net Levy Impact Projections

			2026	2027	2028	2029	2030	2031	2032	2033
Total - All Tax Districts		Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Current (Old)	Net Property Tax Levy - in millions	Total	\$ 23.78	\$ 25.01	\$ 26.38	\$ 27.84	\$ 29.35	\$ 30.99	\$ 32.77	\$ 34.70
SEA 1	Net Property Tax Levy - in millions	Total	\$ 22.56	\$ 23.71	\$ 24.94	\$ 26.06	\$ 27.02	\$ 28.10	\$ 29.35	\$ 30.78
Inc/(Dec)	Net Property Tax Levy - in millions	Total	\$ (1.22)	\$ (1.30)	\$ (1.44)	\$ (1.78)	\$ (2.33)	\$ (2.89)	\$ (3.42)	\$ (3.91)

SEA 1 - Total Net Assessed Value Projections - All Taxing Districts

			2026	2027	2028	2029	2030	2031	2032	2033
Total - All Tax Districts		Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Current (Old)	Net Assessed Value - in millions	Total	\$ 7,121.61	\$ 7,874.98	\$ 8,571.61	\$ 9,342.03	\$ 10,196.65	\$ 11,148.38	\$ 12,215.07	\$ 13,418.37
SEA 1	Net Assessed Value - in millions	Total	\$ 7,009.35	\$ 6,937.22	\$ 7,081.83	\$ 7,245.30	\$ 7,368.98	\$ 7,533.97	\$ 8,049.82	\$ 8,750.10
Inc/(Dec)	Net Assessed Value - in millions	Total	\$ (112.25)	\$ (937.75)	\$ (1,489.78)	\$ (2,096.73)	\$ (2,827.67)	\$ (3,614.42)	\$ (4,165.24)	\$ (4,668.27)

SEA 1 - Property Tax Rate Projections

Property			2026	2027	2028	2029	2030	2031	2032	2033
Taxation System	Comparison Item	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Current (Old)	Unit Property Tax Rate	\$	0.3546	0.3360	0.3230	0.3101	0.2975	0.2851	0.2727	0.2604
SEA 1	Unit Property Tax Rate	\$	0.3596	0.3721	0.3779	0.3830	0.3900	0.3950	0.3848	0.3691
Inc/(Dec)	Unit Property Tax Rate	\$	0.0051	0.0361	0.0549	0.0728	0.0925	0.1099	0.1121	0.1087

- Future Year AV Growth
 - Average of past 5 years for each property type
- Both models assume level debt and cumulative fund rates for all overlapping units
- Large levy loss on 1% properties, slight loss on 2% properties; slight gain on 3% properties (Real and Personal)
- Net AV projections are reflective of parcel level data and do not include withholdings and other DLGF adjustments to tie to CNAV's

SEA 1 – Average Household Impact

SEA 1 - Average Household Impact Projection - District 005 (Columbus)					
Description	Current System	SEA 1	SEA 1 - \$ Impact	SEA 1 - % Impact	
Average Home - 2025 Gross AV	\$ 247,990	\$ 247,990	\$ -		0%
Average Home - 2033 Gross AV Projection (9.12% Annual Growth)	\$ 498,389	\$ 498,389	\$ -		0%
Less:			\$ -		
Homestead Deduction	\$ (48,000)	\$ -	\$ 48,000		-100%
Supplemental Deduction	\$ (191,236)	\$ (332,425)	\$ (141,189)		74%
Total Deductions	\$ (239,236)	\$ (332,425)	\$ (93,189)		39%
Net Assessed Value	\$ 259,153	\$ 165,964	\$ (93,189)		-36%
Times: 2033 District Tax Rate/100	\$ 1.9549	\$ 2.6004	\$ 0.6456		33%
Equals: Gross Property Tax Due	\$ 5,066	\$ 4,316	\$ (750)		-15%
Circuit Breaker Cap	\$ 4,984	\$ 4,984	\$ -		0%
Lesser of CB Cap or Gross Tax Due = Net Tax Due	\$ 4,984	\$ 4,316	\$ (668)		-13%
Less: SEA 1 Homestead Credit	\$ -	\$ (300)	\$ (300)		100%
Equals Final Property Tax Bill	\$ 4,984	\$ 4,016	\$ (968)		-19%
CB Credits Applied	\$ (82)	\$ -	\$ 82		-100%
2033 Average Household Income (2025 Census x 3% Annual Growth)	\$ 106,254	\$ 106,254	\$ -		0%
Times: Total Local Income Tax Rate	1.7500%	2.900%			0%
Equals: Local Income Tax Due	\$ 1,859	\$ 3,081	\$ 1,222		66%
Total Property Tax & LIT	\$ 6,843	\$ 7,097	\$ 254		4%

- The average home in Columbus, District 5, is assessed at \$247,990
- Assuming average Gross AV Growth, the average home is projected to be assessed at \$498,389 by 2033
- SEA 1 will increase property tax rates, all else equal; but the average home will be under the property tax cap, all assumptions considered
- SEA 1 Bottom line: the average homeowner will save approximately \$968 on their property tax bill, but will pay \$1,222 more Local Income Tax, assuming the LIT Rate is maxed out at 2.9000%, for an average household increase of \$254, or 4%

Legislative Update

SEA 1 Impact Projections – 2026 & 2027

SEA 1 Impact Projections 2026 & 2027

Local Government Unit	SEA 1 - 2026 & 2027		
	SEA 1 - 2026 Over/(Under)	SEA 1 - 2027 Over/(Under)	Cumulative Impact
Bartholomew County	\$ (1,219,127)	\$ (1,299,910)	\$ (2,519,037)
Clay Township	\$ (9,892)	\$ (14,242)	\$ (24,134)
Clifty Township	\$ (2,826)	\$ (2,119)	\$ (4,945)
Columbus Township	\$ (92,963)	\$ (73,360)	\$ (166,323)
Flatrock Township	\$ (9,426)	\$ (11,090)	\$ (20,516)
German Township	\$ (20,268)	\$ (30,901)	\$ (51,170)
Harrison Township	\$ (33,195)	\$ (41,963)	\$ (75,158)
Hawcreek Township	\$ (12,014)	\$ (8,873)	\$ (20,887)
Jackson Township	\$ (1,321)	\$ (947)	\$ (2,269)
Ohio Township (2)	\$ (5,474)	\$ (43,421)	\$ (48,896)
Rockcreek Township	\$ (6,690)	\$ (8,702)	\$ (15,392)
Sandcreek Township	\$ (4,881)	\$ (3,398)	\$ (8,279)
Wayne Township	\$ (15,521)	\$ (19,243)	\$ (34,764)
Columbus Civil City	\$ (1,347,397)	\$ (1,100,036)	\$ (2,447,433)
Clifford Civil Town	\$ (2,859)	\$ (1,311)	\$ (4,170)
Elizabethtown Civil Town	\$ (2,141)	\$ (1,268)	\$ (3,410)
Hartsville Civil Town	\$ (5,320)	\$ (3,037)	\$ (8,356)
Hope Civil Town	\$ (51,216)	\$ (38,373)	\$ (89,589)
Jonesville Civil Town	\$ (1,381)	\$ (701)	\$ (2,082)
Edinburgh Civil Town (3)	\$ (14,447)	\$ (264,612)	\$ (279,060)
Bartholomew Cons. School Corp.	\$ (3,473,490)	\$ (6,311,535)	\$ (9,785,024)
Flatrock-Hawcreek School Corp.	\$ (340,085)	\$ (516,831)	\$ (856,917)
Edinburgh Community School Corp.	\$ (6,625)	\$ (24,869)	\$ (31,494)
Bartholomew County Public Library	\$ (171,485)	\$ (114,733)	\$ (286,218)
Edinburgh-Wright-Hageman Public Library	\$ (653)	\$ (11,668)	\$ (12,320)
Bartholomew County Solid Waste Mgmt.	\$ (103,494)	\$ (71,932)	\$ (175,427)
Ohio Township Special Fire Territory (2)	\$ (25,675)	\$ -	\$ (25,675)
Total	\$ (6,979,868)	\$ (10,019,076)	\$ (16,998,944)

- SEA 1 does not offer any revenue replacement until 2028 (new LIT System)
- Units are stuck with these losses – partial recoup may be possible with LIT Rate increase for Pay 2027;
 - RFG would advise units to not treat this like new revenue, rather treat it as replacement of lost revenue

SEA 1 Impact Projections – Summary

SEA 1 Impact Projections - All Bartholomew County Local Government Units (1)

Local Government Unit	2025 Total Certified LIT	SEA 1 - Total LIT @ Max		SEA 1 - Full Phase-IN (2033) Property Tax Gain/(Loss)	SEA 1 - Total Property Tax Gain/(Loss) Attributable to Debt and Cumulative Funds (4)		SEA 1 - Total Impact to Base
		Rate of 2.9000%	SEA 1 LIT - Over/(Under) Current		SEA 1 - Total Property Tax Gain/(Loss)	SEA 1 - Total Property Tax Gain/(Loss)	
Bartholomew County	\$ 23,179,223	\$ 52,175,919	\$ 28,996,696	\$ (3,913,669)	\$ (2,875,981)	\$ 25,083,027	
Clay Township	\$ 55,632	\$ 63,721	\$ 8,089	\$ (54,310)	\$ (47,701)	\$ (46,221)	
Clifty Township	\$ 22,672	\$ 19,724	\$ (2,948)	\$ (2,224)	\$ -	\$ (5,172)	
Columbus Township	\$ 825,229	\$ 1,003,817	\$ 178,588	\$ (125,023)	\$ (32,524)	\$ 53,565	
Flatrock Township	\$ 50,461	\$ 30,998	\$ (19,463)	\$ (39,512)	\$ (33,141)	\$ (58,975)	
German Township	\$ 124,223	\$ 138,462	\$ 14,239	\$ (100,832)	\$ (86,141)	\$ (86,593)	
Harrison Township	\$ 254,045	\$ 83,249	\$ (170,796)	\$ (134,143)	\$ (110,796)	\$ (304,939)	
Hawcreek Township	\$ 91,604	\$ 73,858	\$ (17,746)	\$ (7,888)	\$ -	\$ (25,634)	
Jackson Township	\$ 54,676	\$ 19,254	\$ (35,422)	\$ (1,137)	\$ -	\$ (36,559)	
Ohio Township (2)	\$ 23,702	\$ 34,802	\$ 11,100	\$ (29,811)	\$ (122,819)	\$ (18,711)	
Rockcreek Township	\$ 30,486	\$ 26,959	\$ (3,527)	\$ (27,925)	\$ (24,132)	\$ (31,452)	
Sandcreek Township	\$ 24,066	\$ 43,938	\$ 19,872	\$ (3,932)	\$ -	\$ 15,940	
Wayne Township	\$ 109,900	\$ 73,152	\$ (36,748)	\$ (67,615)	\$ (57,954)	\$ (104,363)	
Columbus Civil City	\$ 26,075,097	\$ 31,996,525	\$ 5,921,428	\$ (3,321,915)	\$ (1,929,150)	\$ 2,599,513	
Clifford Civil Town	\$ 29,838	\$ 333,361	\$ 303,523	\$ (1,363)	\$ -	\$ 302,160	
Elizabethtown Civil Town	\$ 47,680	\$ 660,600	\$ 612,920	\$ (1,462)	\$ -	\$ 611,458	
Hartsville Civil Town	\$ 47,348	\$ 516,326	\$ 468,978	\$ (2,903)	\$ -	\$ 466,075	
Hope Civil Town	\$ 431,572	\$ 3,413,516	\$ 2,981,944	\$ (69,843)	\$ (30,004)	\$ 2,912,101	
Jonesville Civil Town	\$ 23,667	\$ 289,758	\$ 266,091	\$ (706)	\$ -	\$ 265,385	
Edinburgh Civil Town (3)	\$ 905,618	\$ 182,529	\$ (723,089)	\$ (378,965)	\$ (18,766)	\$ (1,102,054)	
Bartholomew Cons. School Corp.	\$ 1,991,897	\$ -	\$ (1,991,897)	\$ (28,033,530)	\$ (25,792,541)	\$ (30,025,427)	
Flatrock-Hawcreek School Corp.	\$ 85,333	\$ -	\$ (85,333)	\$ (2,222,050)	\$ (2,016,865)	\$ (2,307,383)	
Edinburgh Community School Corp.	\$ 7,355	\$ -	\$ (7,355)	\$ (41,706)	\$ (37,654)	\$ (49,061)	
Bartholomew County Public Library	\$ 1,775,390	\$ 1,524,587	\$ (250,803)	\$ (156,301)	\$ -	\$ (407,104)	
Edinburgh-Wright-Hageman Public Library	\$ 39,816	\$ 87,347	\$ 47,531	\$ (16,508)	\$ -	\$ 31,023	
Bartholomew County Solid Waste Mgmt.	\$ -	\$ -	\$ -	\$ (98,677)	\$ -	\$ (98,677)	
Ohio Township Special Fire Territory (2)	\$ 111,164	\$ 798,447	\$ 687,283	\$ (139,814)	\$ (101,455)	\$ 547,469	
Total	\$ 56,417,694	\$ 93,590,849	\$ 37,173,155	\$ (38,993,763)	\$ (33,317,625)	\$ (1,820,609)	

- At the Max LIT Rate of 2.9000% under SEA 1, total County-Wide LIT is projected to increase from \$56.4 million to \$93.6 million (\$37.2 million increase)
- Reminder: SEA 1 LIT will not take affect until 2028 at the earliest
- Most units will be reliant on the County to do some variation of Income Tax under the new system to offset levy suppression
- Units with a (loss) to their “SEA 1 – Total Impact to Base” will need interlocal agreements with the County to be made whole

HEA 1461 – Highway Funding

- **HEA 1461 Road Funding – Deadline to establish Wheel Tax is September 1st**
 - **Per LTAP “Untapped Potential Surtax Wheel Tax” Report, County-wide Surtax/Wheel Tax would generate up to \$4,991,870 ; could be used to offset some of the losses due to SEA 1**
 - **Indy may request up to \$50 million annually (means they will likely receive max every year)**
 - **First \$100 million in State road and bridge fund set aside for CCMG – No need for Wheel/Surtax**
 - Amounts over this redirected to other transportation projects at State level
 - Any amount left over after all agency distributions go to units with Wheel and Surtax (starting in 2027)
 - Highly likely to reduce individual unit grants – Current max is \$1M for 2026
 - **Defines responsibilities for bridge work:**
 - County responsible for bridges greater than 20 feet in length
 - Municipality responsible for bridges located within corporate limits and less than 20 feet in length.
 - **Townships to subsidize a percentage of road improvements**
 - Townships must create a fund dedicated to road and infrastructure improvements
 - 30% of a Townships unrestricted funds must be transferred
 - These funds are to be used in partnership with Counties, Cities, or Towns to support infrastructure projects
 - **Allows INDOT to request waivers from Federal Government to potentially toll interstates**

The Impact on *TIF*

Changes in Business Personal Property (3% Impact)

- Increased de minimis exemption
 - The total cost was changed from \$80,000 to \$2,000,000 (effective for January 1, 2026 assessments for pay 2027)
- Removal of the 30% depreciation floor – exception in existing TIF Area established prior to 2025

Changes In Deductions/Credits (1% and 2% Impact)

- Depending on taxing district rate, increased deductions may have impact on TIF collections
- Credits will decrease Housing TIF collections

Neutralizations

- DLGF authorized to shift Assessed Value:
 - To TIF allocation areas to ensure TIF can still support existing Debt Payments
- OR**
- From TIF allocation areas to prevent increased collections due to rising tax rates.

Debt Impacts

Under SEA 1

- Adds additional layer to the definition of controlled project: Projects may be subject to petition-remonstrance and/or referendum even if previously exempt.
- Creates limitations on the issuance of short-term General Obligation bonds.
 - Requires a cooling-off period for any new GO bonds issued with a term of 5 years or less.
- Restricts the pledging of LIT revenues for Debt Service to 25%
- Debt is currently not protected from the new SEA 1 Credits = tax rate increases

Any Questions?

***Thank you* for your time – we are glad you joined us today!**

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