

West Lafayette Community School Corporation

Senate Enrolled Act 1 Impacts



SEA 1 Focus on IMPACT

- Impact on:
 - Tax Rate
 - Tax Levy or Revenue
 - Taxpayer

Reset of the Tax
Rate impact on
Taxpayer



The relationship between **Net Assessed Valuation** vs **Tax Rate** vs **Revenue** (or levy collected)

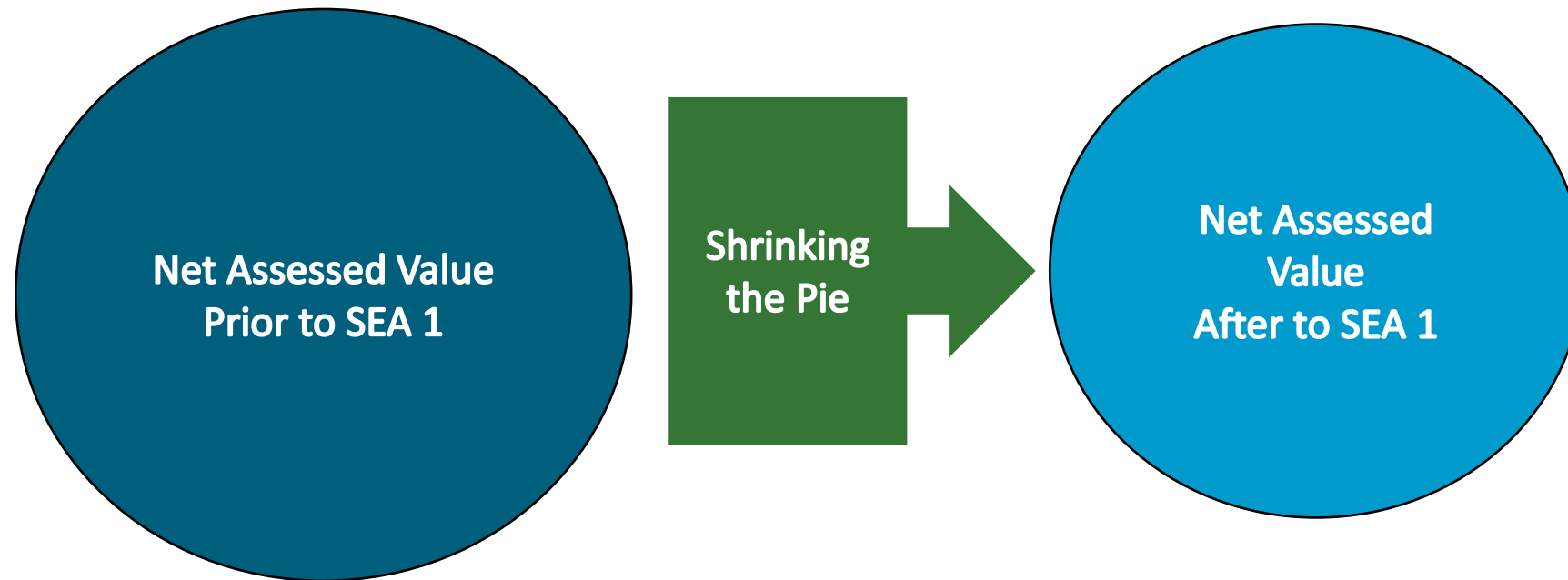
To receive the same revenue, district will need a higher tax rate due to less assessed value.

Assessed Value	x	Tax Rate	=	Revenue
\$2,800 M	↑	\$0.90	↓	\$25.2 M
\$3,000 M	↑	\$0.90	=	\$27.0 M
\$2,600 M	↓	\$0.90	↓	\$23.5M
\$2,600 M	↓	\$1.38	=	\$27.0 M



Tax rates are applied to each \$100 of assessed valuation of taxable parcels within the school corporation boundary.

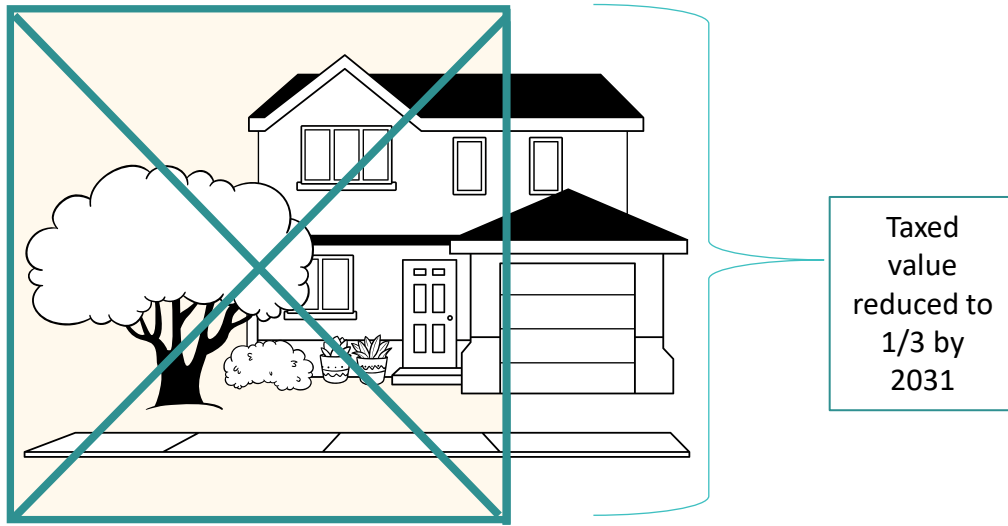
How did SEA 1 slow the growth or decrease Net Assessed Value?



Homestead Related Changes

• Property Tax Deductions:

- **Standard Deduction** - Property assessed in 2025 receives \$48,000, deduction decreasing each year until \$0 in 2031.
- **Supplemental Deduction** – For taxes due & payable after 2025: Deduction is equal to the assessed valuation of property reduced by the standard deduction multiplied by 40% in 2026 increasing to 66.7% in 2031 and thereafter.



STANDARD AND SUPPLEMENTAL DEDUCTIONS

Year taxes due & payable	Standard Deduction	Supplemental Deduction (assessed value reduced by standard & multiplied by)
2025	Lesser of \$48,000 or 60%	37.5% \$600,000 or less & 27.5% more than \$600,000
2026	\$48,000	40%
2027	\$40,000	46%
2028	\$30,000	52%
2029	\$20,000	57%
2030	\$10,000	62%
2031	\$0	66.7%

Homestead Related Changes

• Local Property Tax Credits

- **Beginning in 2026, a person who qualifies for standard deductions on homestead, is also entitled to a supplemental homestead credit equal to the lesser of result of:**

- **0.10 of tax liability**
- **\$300**

Referendum rate excluded in calculating this credit. No application required. Applied after tax caps.

- Credit against local property tax imposed on real property, mobile home or manufactured home in the amount of:
 - \$150 for Single Individual who is **65 years of age or older** gross income not more than \$60,000
 - \$150 for Individual filing jointly who is **65 years of age or older** gross income not more than \$70,000
 - \$125 for Individual if **blind or has a disability**
 - \$150 for Individual if served in **military or naval forces** for at least 90 days, honorably discharged and disabled
 - \$250 for Individual if served in military or naval forces during any war, honorably discharged and disabled
- Certain other property tax deductions expire

County Option Homestead Property Tax Deferral Program if County adopts the program. Max of \$500 a year with a total not to exceed \$10,000 over time. County may put in place income and other limits.

2% Property Related Changes

- **Excessive Property Tax Deductions on 2% Properties:**

- Applies to **2% Circuit Breaker Properties – residential (non-homestead), long term care & agriculture**. No filing requirement.
- Taxpayer receives additional deduction (after any other deductions applied) as a percentage of assessment payable as follows:
 - 6% in 2026,
 - 12% in 2027,
 - 19% in 2028,
 - 25% in 2029,
 - 30% in 2030, and
 - 33.3% in 2031 and thereafter

- **Changes to AG Base Rate calculation** – capitalization rate from 8% to 9% for January 1, 2025 and January 1, 2026 assessment dates.

Business Related Changes

• Business Personal Property:

- Effective 1/1/2025, business personal property (BPP) with an acquisition cost of **\$2,000,000** for 2026 assessment date

is **exempt from taxation** in that county.

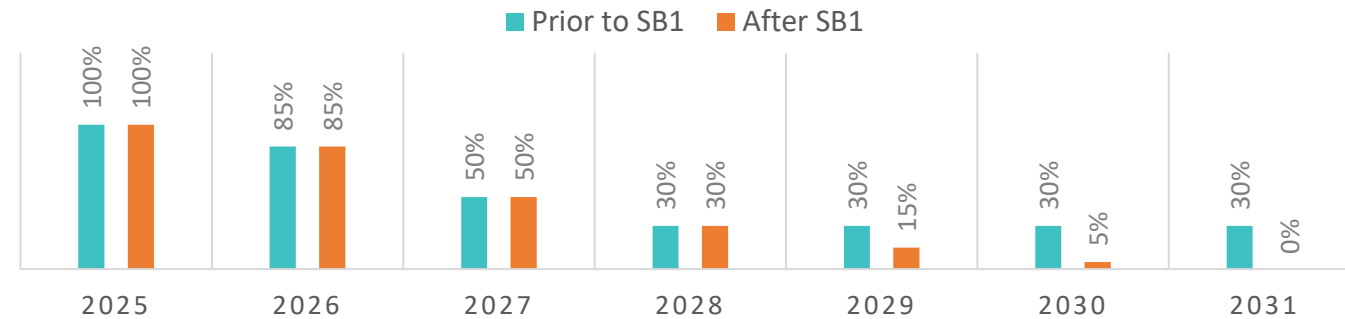
- Property placed in service prior to 1/1/2025, taxable value may not be less than 30% of the adjusted cost.
- Property placed in service on **1/1/2025 and thereafter, does not have a value limit floor** except with located in TIF district and revenue pledged to bonds.

Changed from \$80,000 to \$2,000,000

Business Personal Property

= tangible assets used in a business such as computers, furniture, fixtures, equipment, machinery, etc. to generate income.

EXAMPLE OF VALUE OF BUSINESS PERSONAL PROPERTY AS % OF COST



• **Controlled Projects** - For Preliminary Determination Hearings held **after 6/30/2025** (possible exception if project hearing held prior to 7/1/25):

- project payable from bonds or leases is controlled and **subject to possible petition-remonstrance process** if the unit has the following total debt service rates:

UNIT	TOTAL DEBT SERVICE RATE (excluding referendum debt rate)
School Corporation	More than \$0.40 up to \$0.70
City, County, Town	More than \$0.25 up to \$0.40
Other political subdivisions	More than \$0.05 up to \$0.10

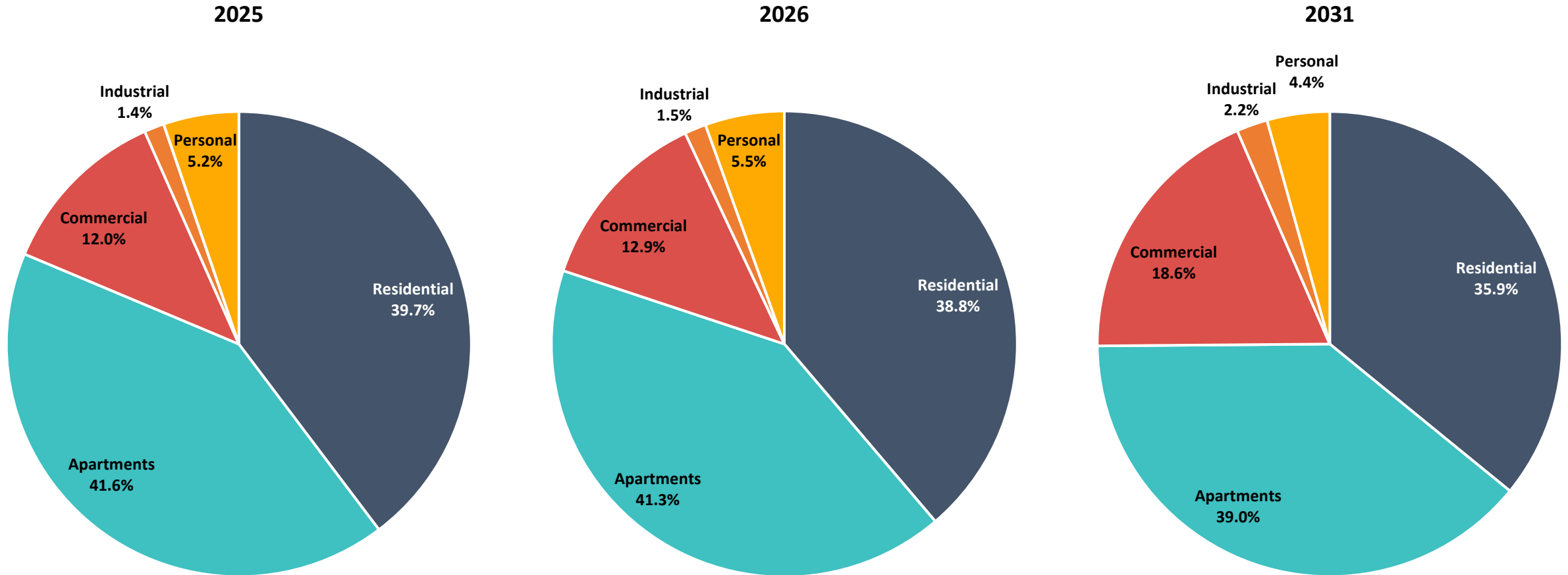
← Changed from \$0.40 to \$0.80

- project payable from bonds or leases is controlled and must be **approved by referendum election** if the unit has the following total debt service rates:

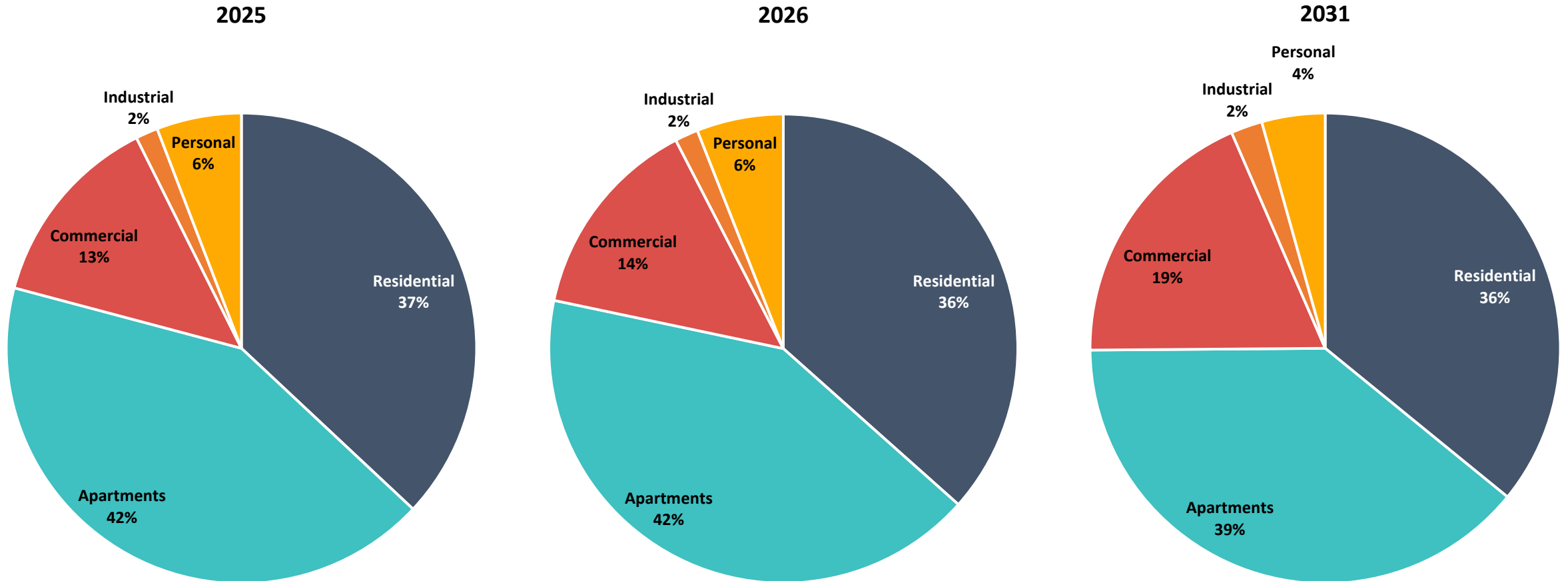
UNIT	TOTAL DEBT SERVICE RATE (excluding referendum debt rate)
School Corporation	More than \$0.70
City, County, Town	More than \$0.40
Other political subdivisions	More than \$0.10

← Changed from \$0.80

NAV Composition



Tax Burden Shift



Scenarios

- **2025 LEVY SCENARIO**

- Pre-SB1
 - Holds 2025 Debt Service Levy constant
- Post-SB1
 - Uses Debt Service Levies from the 2025 Levy – Pre-SB1 scenario

- **2025 RATE SCENARIO**

- Pre-SB1
 - Holds 2025 Debt Service Rate constant
- Post-SB1
 - Uses Debt Service Levies from the 2025 Rate – Pre-SB1 scenario

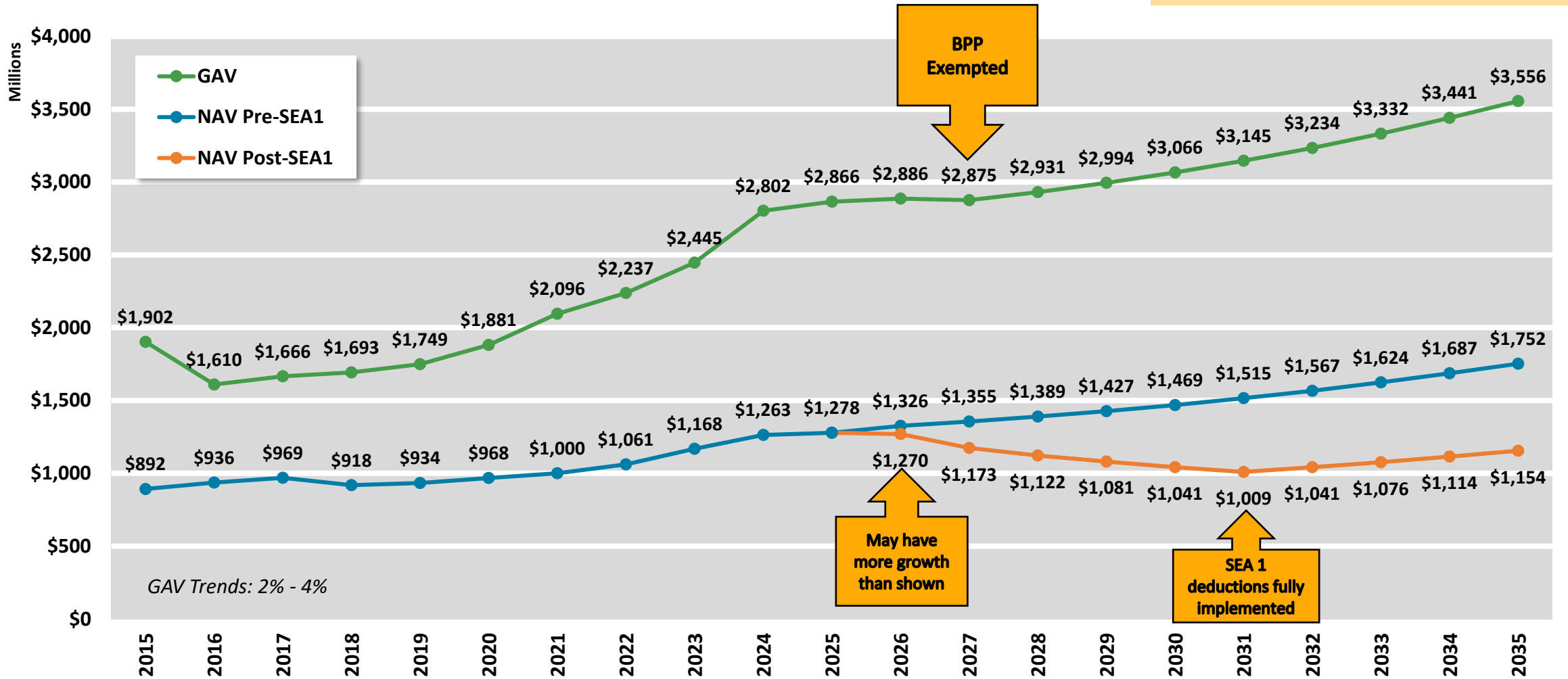
Scenarios

Debt Service Levies & Rates

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025 Levy	6,199.0	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1
Pre-SB1	0.4909	0.5375	0.5182	0.5069	0.4946	0.4815	0.4677	0.4533	0.4384	0.4231	0.4073	0.3920
Post-SB1	0.4909	0.5375	0.5410	0.5855	0.6124	0.6356	0.6598	0.6807	0.6600	0.6386	0.6167	0.5954
2025 Rate	6,199.0	6,870.1	7,126.2	7,285.2	7,466.4	7,669.2	7,895.1	8,145.8	8,423.0	8,728.8	9,065.5	9,419.1
Pre-SB1	0.4909	0.5375	0.5375	0.5375	0.5375	0.5375	0.5375	0.5375	0.5375	0.5375	0.5375	0.5375
Post-SB1	0.4909	0.5375	0.5612	0.6209	0.6656	0.7095	0.7582	0.8071	0.8091	0.8114	0.8138	0.8163

New additional deductions in legislation will cause an overall decrease in the Net Assessed Value for the district.

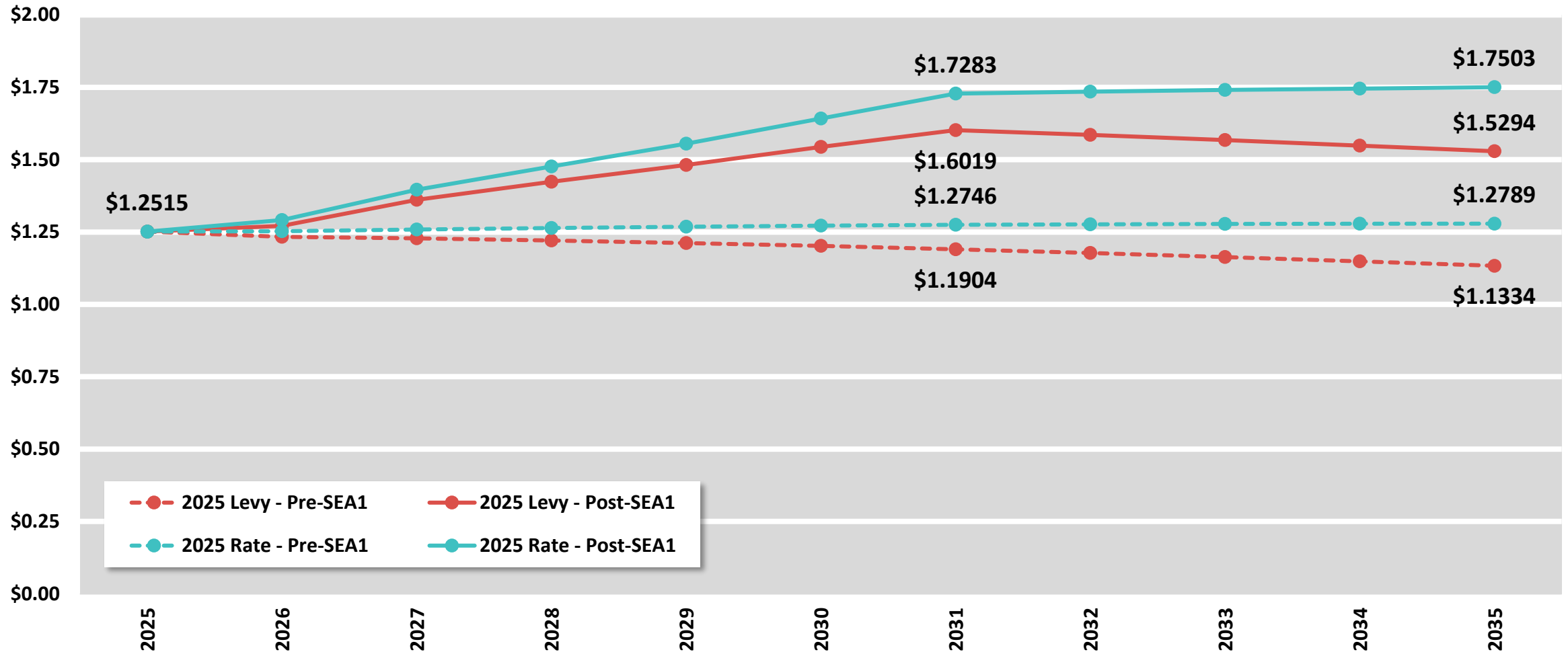
NAV Projection



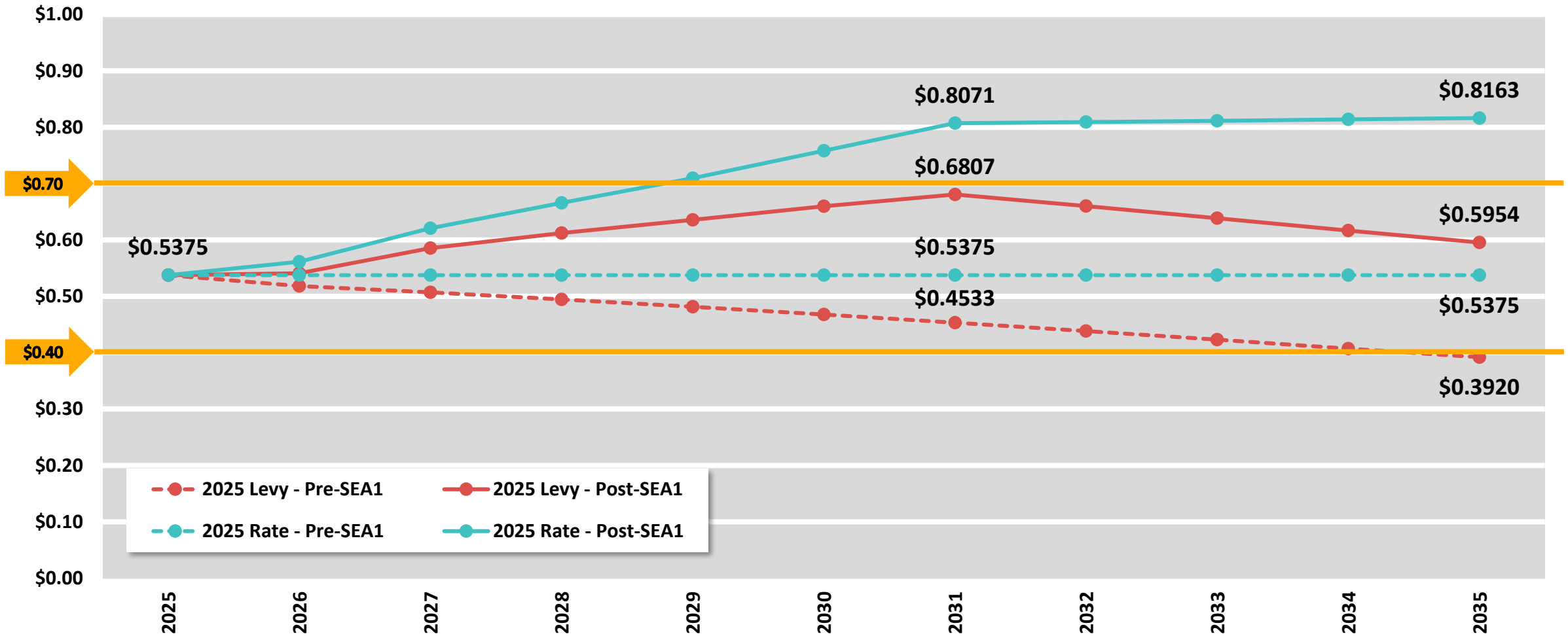
GAV Trends: 2% - 4%

- The Pre-SEA 1 line shows the district’s projected tax rate prior legislation changes
- The decline of Net Assessed Value due to new legislation will cause an increase in the district’s tax rate.
- Average increase statewide for school corporations- \$0.35

Total Property Tax Rate



Debt Service Property Tax Rate



**STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE**

2025 Local Income Tax Distributions
Calculations based on SBA Certified Totals on November 27, 2024 (Amended 4/28/2025)

County 79 Tippecanoe

Expenditure Rate - Certified Shares Revenue	32,641,363	Expenditure Rate - Public Safety Revenue	10,512,516	Expenditure Rate - Economic Development Revenue	23,361,147
		PSAP Distribution	0		
IC 6-3.6-6-3(a)(2) Distribution	0	Public Safety Distribution	10,512,516		
Certified Shares Distribution	32,641,363				

<u>Unit</u>	<u>Expenditure Rate - Certified Shares</u>		<u>Total Expenditure Rate - Certified Shares Distribution</u>	<u>Public Safety Distribution</u>	<u>Economic Development Distribution</u>
	<u>IC 6-3.6-6-3(a)(2) Distribution</u>	<u>Certified Shares Distribution</u>			
WEA TOWNSHIP	0	410,156	410,156	0	0
LAFAYETTE CIVIL CITY	0	11,482,770	11,482,770	4,199,275	9,335,895
WEST LAFAYETTE CIVIL CITY	0	3,479,842	3,479,842	1,272,586	2,774,678
OTTERBEIN CIVIL TOWN	0	40,302	40,302	14,739	32,798
BATTLE GROUND CIVIL TOWN	0	136,030	136,030	49,747	108,359
CLARKS HILL CIVIL TOWN	0	27,799	27,799	10,166	22,160
DAYTON CIVIL TOWN	0	77,628	77,628	28,389	61,982
SHADELAND CIVIL TOWN	0	155,727	155,727	56,950	124,819
BENTON COMMUNITY SCHOOL CORPORATION	0	0	0	0	0
LAFAYETTE SCHOOL CORPORATION	0	0	0	0	0
TIPPECANOE SCHOOL CORPORATION	0	0	0	0	0
WEST LAFAYETTE COMMUNITY SCHOOL CORP	0	0	0	0	0
OTTERBEIN PUBLIC LIBRARY	0	6,899	6,899	0	0

In addition to the above distributions, below is the certified revenue to be generated by local income tax rates imposed within the county for the following purposes:

Property Tax Relief	8,240,645
---------------------	-----------

Total EMS Revenue 0

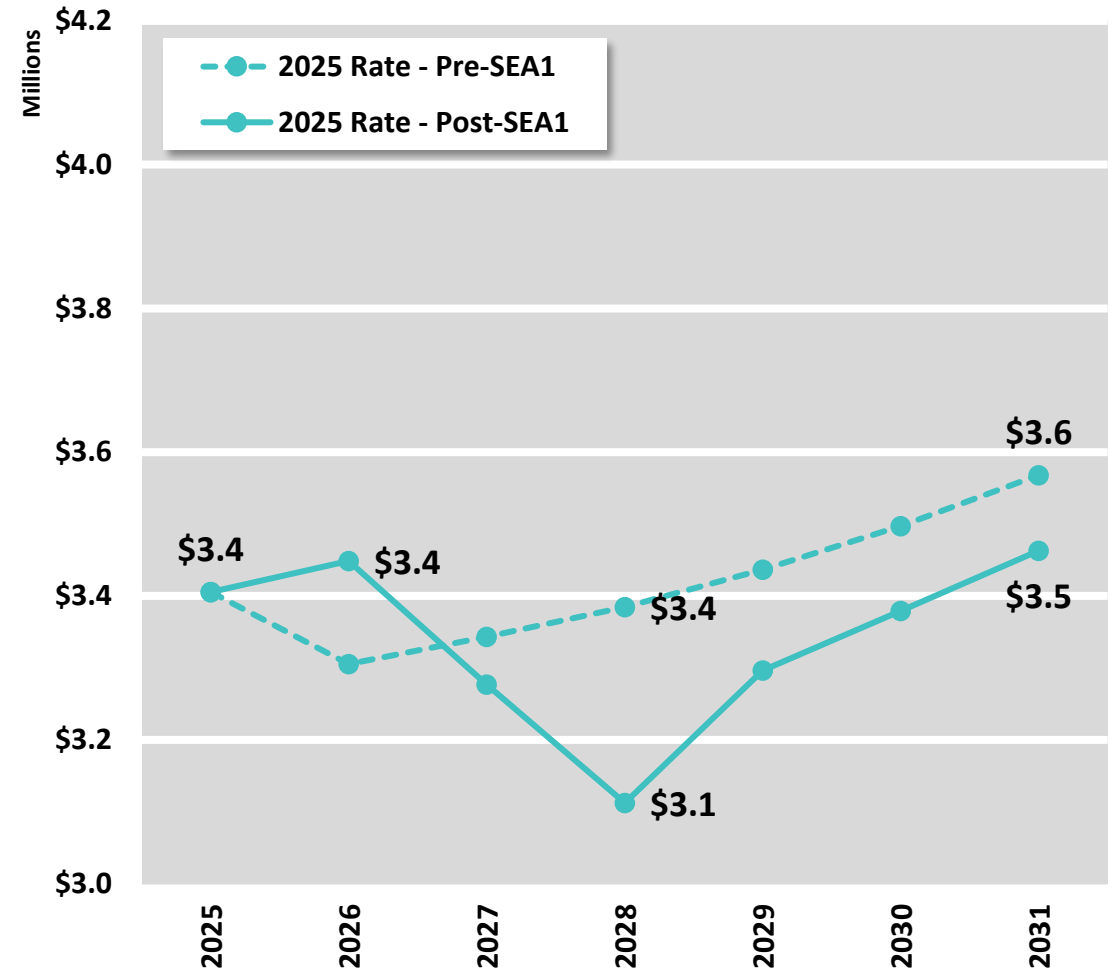
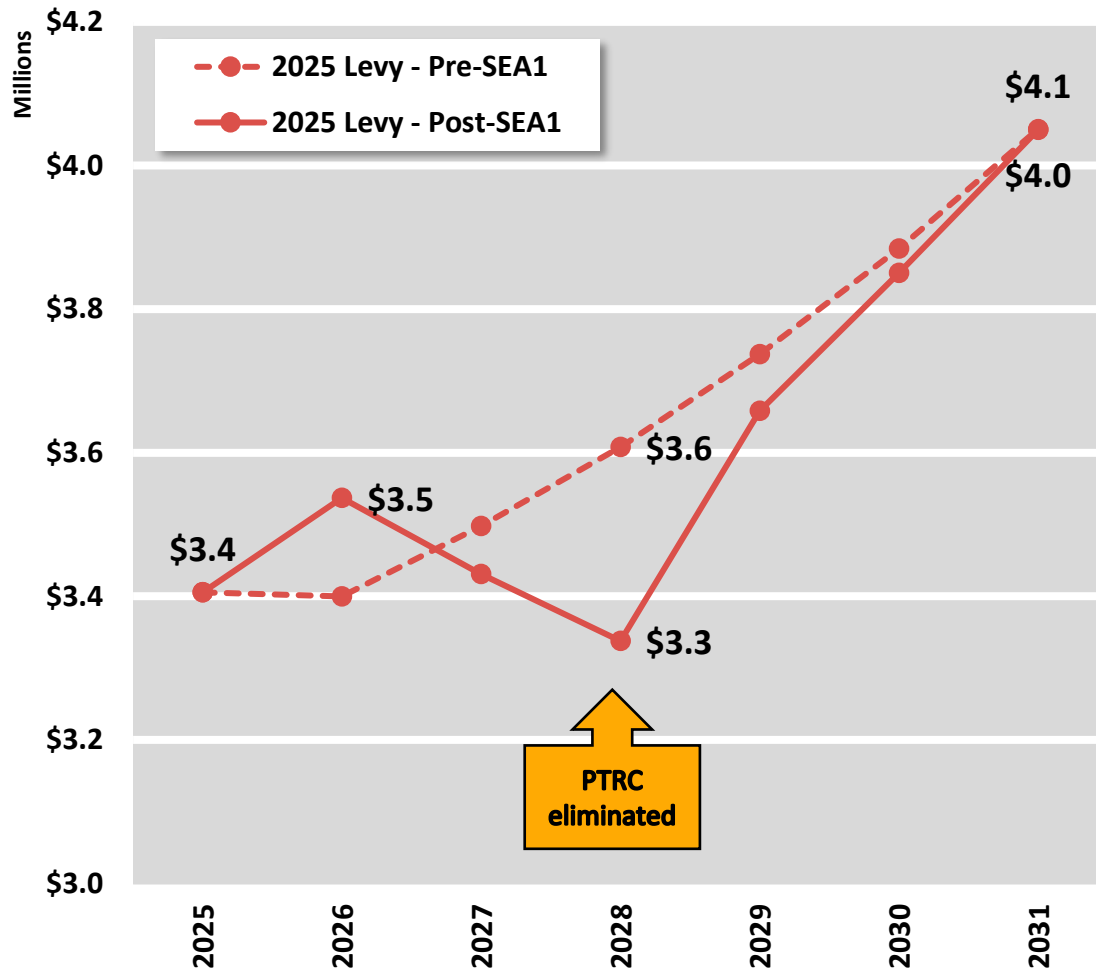
4/28/2025

Two ways Local Income Tax (LIT) impact a school corporation:

- i) Certified shares/cash distributed to local units, and/or
- ii) PTRC = Property Tax Replacement Credit is applied to taxpayer's tax bill which reduces tax liability.

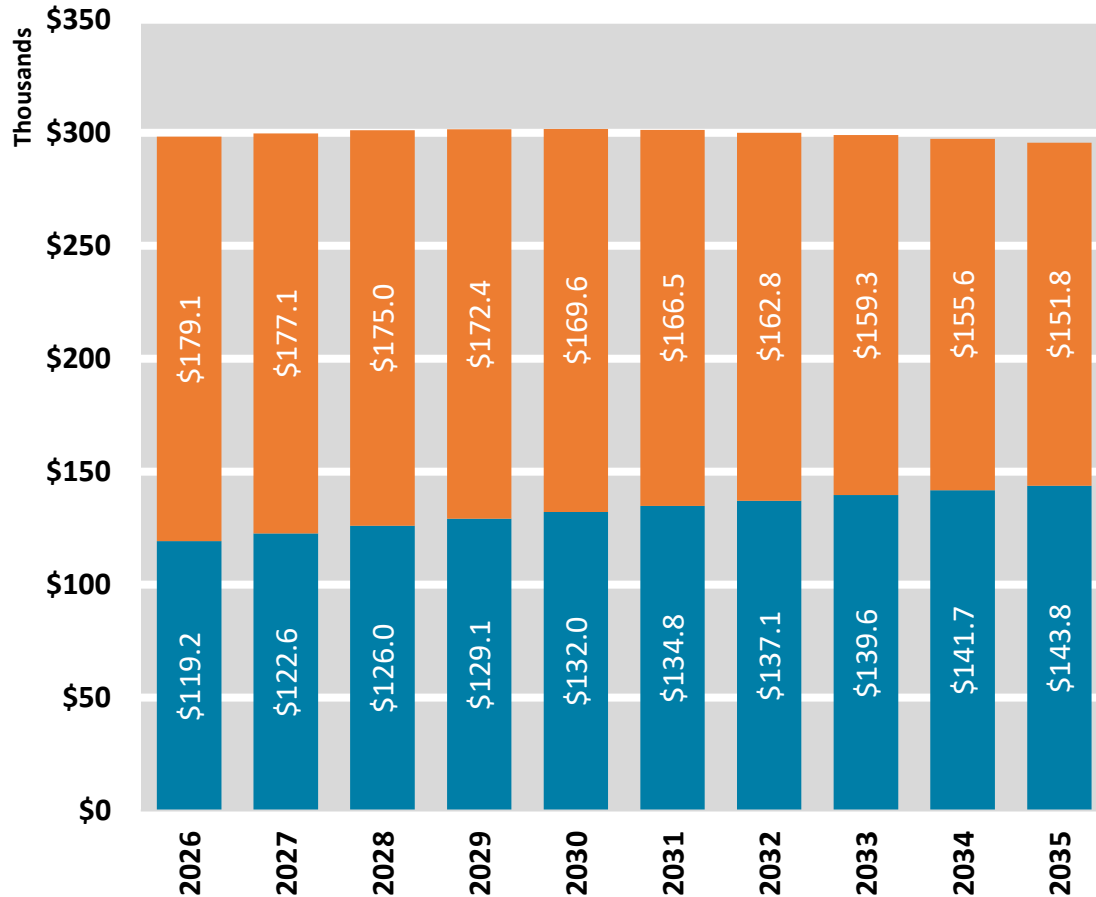
SEA 1 eliminates the current LIT agreements which will result in the loss of PTRC and/or certified shares - resulting in the loss revenue.

Operations Net Levy

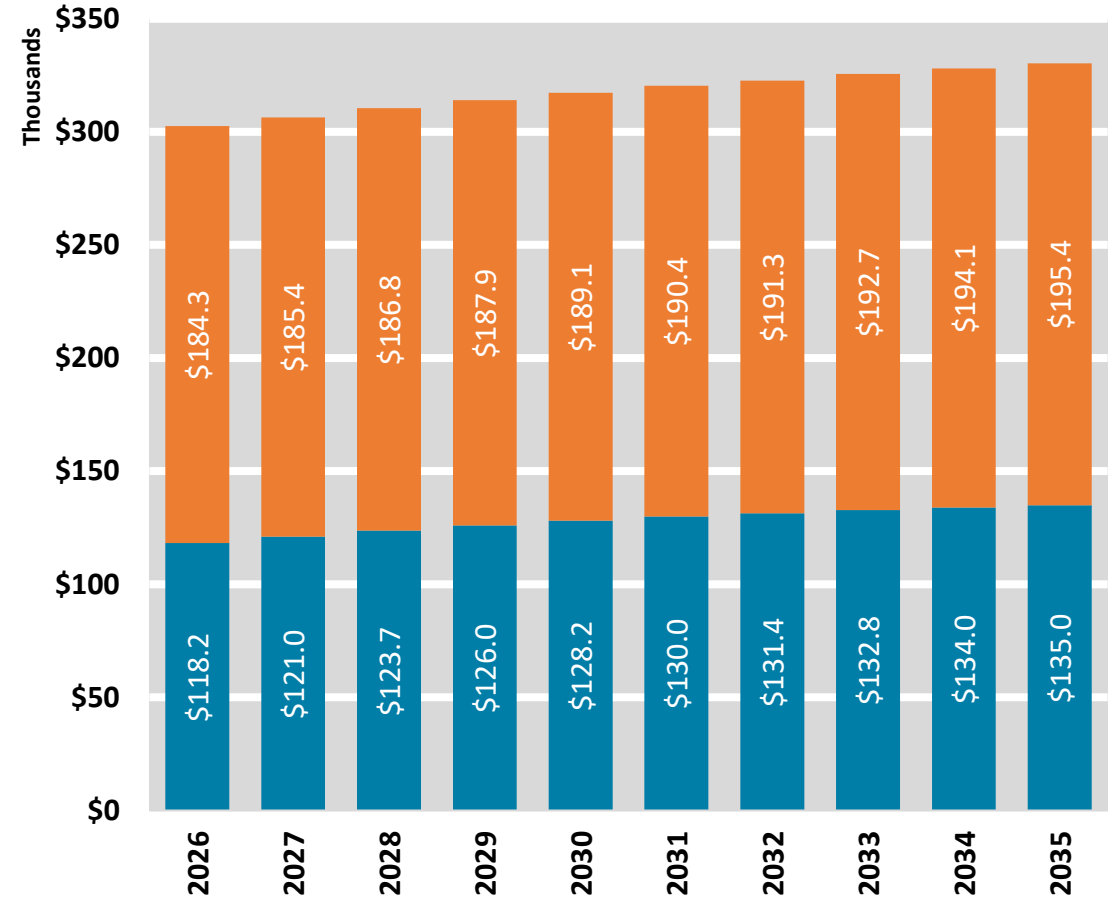


\$300/10% Additional Post Circuit Breaker Credit loss (excludes Constitutional Circuit Breaker loss)

2025 Levy - Post-SEA1



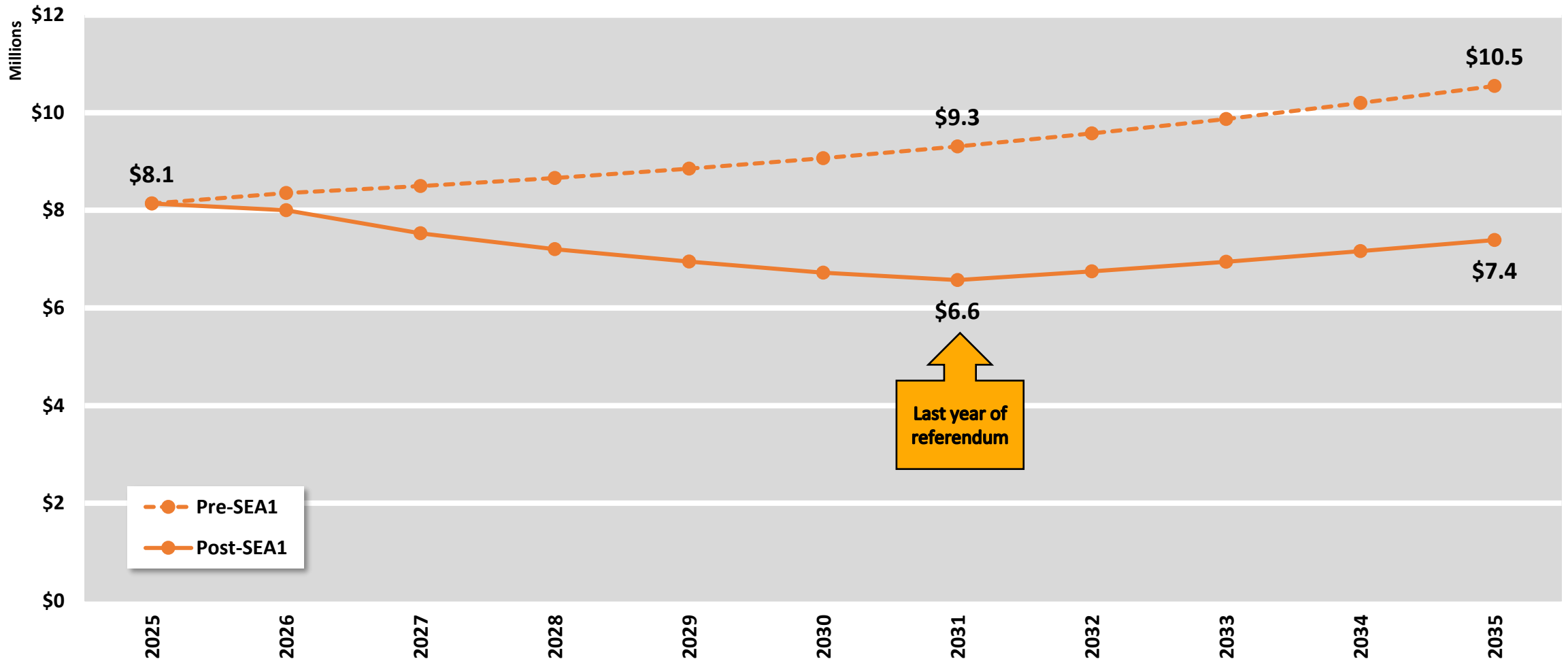
2025 Rate - Post-SEA1



Operations Debt Service

Operating Referendum Net Levy

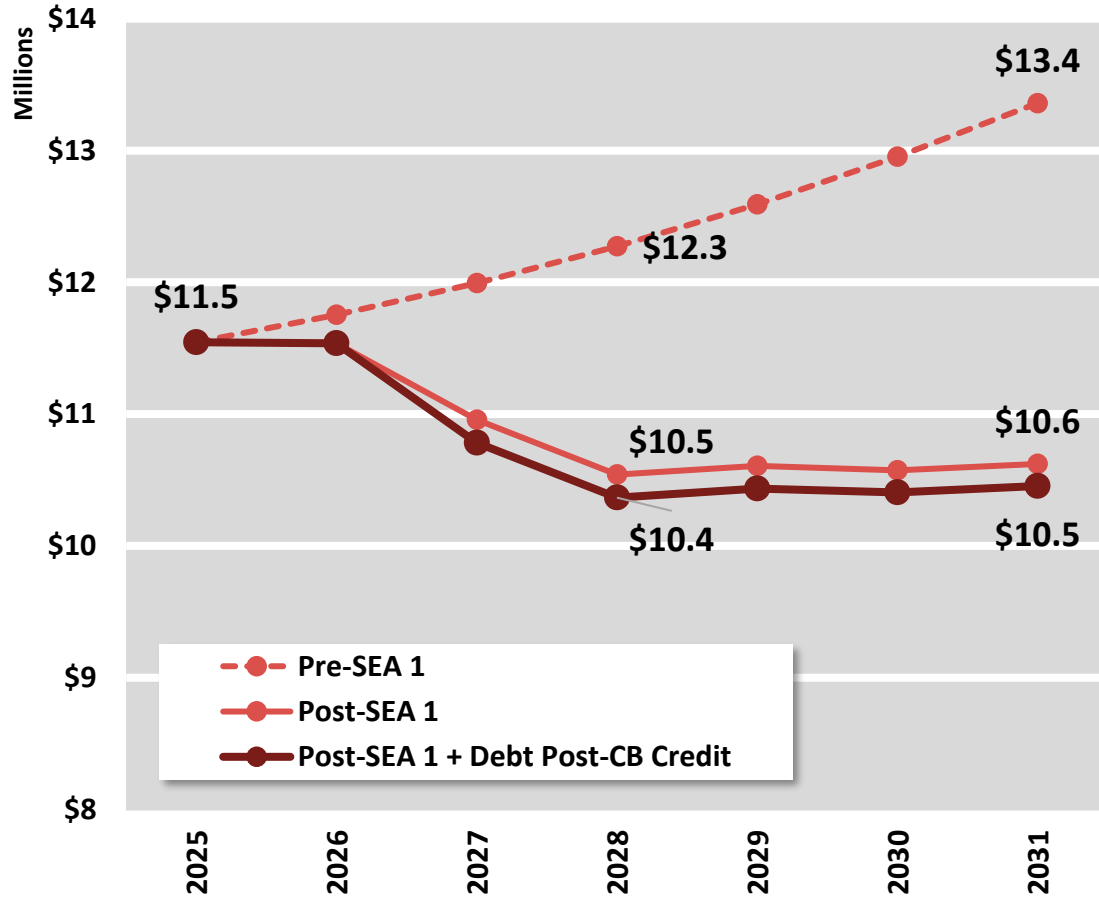
2025 Rate: \$0.3700; Maximum rate of \$0.37 approved in 2023



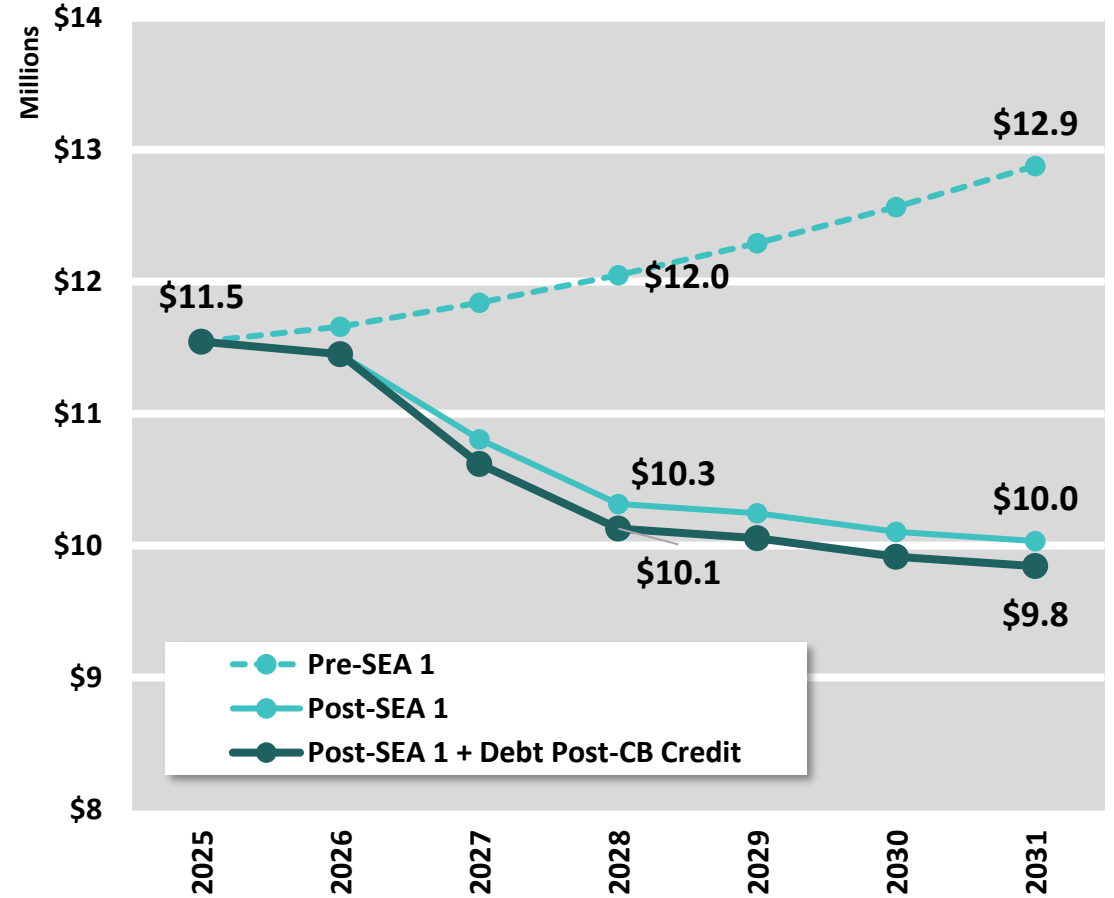
Last year of referendum

Non-Debt Property Tax Revenue

2025 Levy Scenario



2025 Rate Scenario

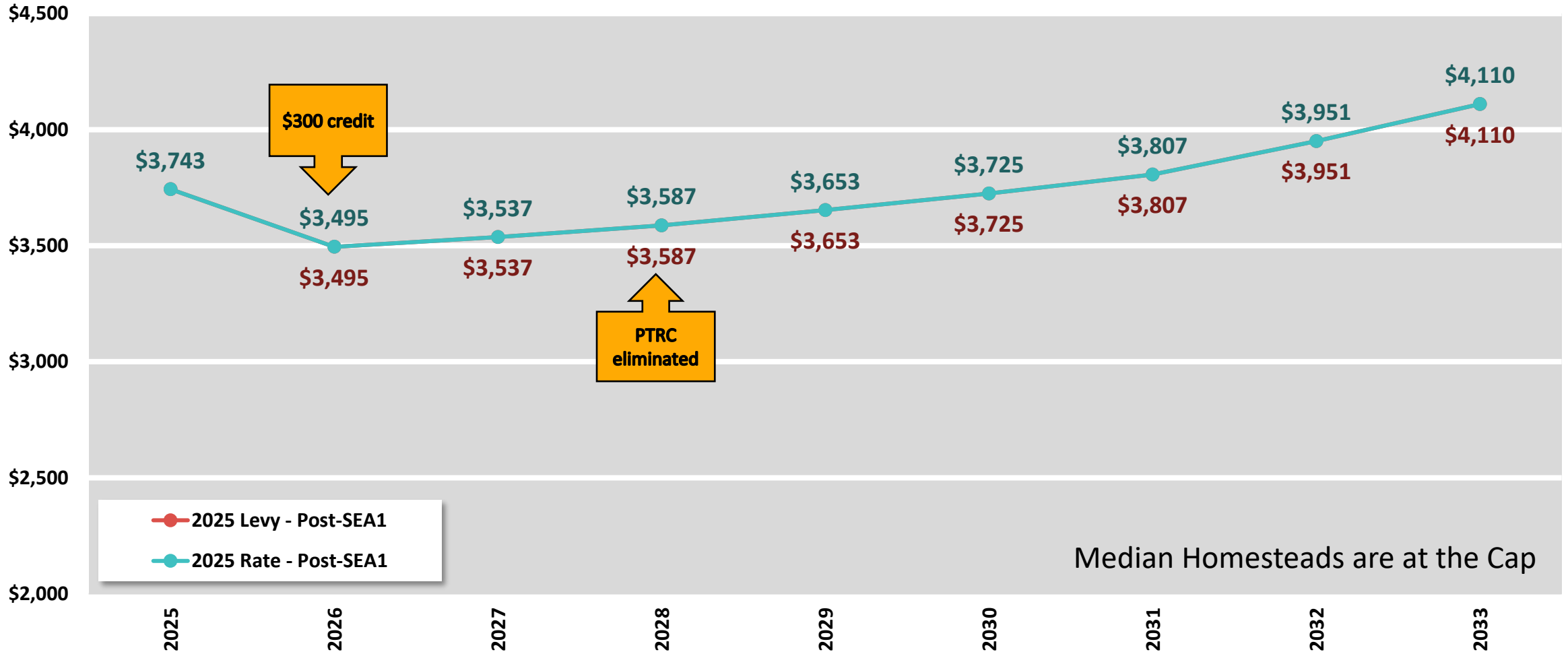


Taxing Districts within the School Corporation & total tax rates for 2025

	WABASH TOWNSHIP-WLCS-B	WEST LAFAYETTE CITY-WLSC-B	WEST LAFAYETTE-WLSC-B-C
percentage of tax base:	0.35%	84.44%	15.21%
County	\$0.3675	\$0.3675	\$0.3675
Township	\$0.1763	\$0.0025	\$0.0025
Municipal	\$0.0000	\$0.8429	\$0.8429
School Corporation	\$1.2515	\$1.2515	\$1.2515
Library	\$0.0475	\$0.1774	\$0.0475
Waste Mgmt	\$0.0026	\$0.0026	\$0.0026
Public Transportation	\$0.0430	\$0.0430	\$0.0430
TOTAL	\$1.8884	\$2.6874	\$2.5575

Taxpayer Impact: Net Liability on Median Homeowner

West Lafayette City – WLSC-B taxing district which is 84.44% of the tax base; 2025 total tax rate of \$2.6874

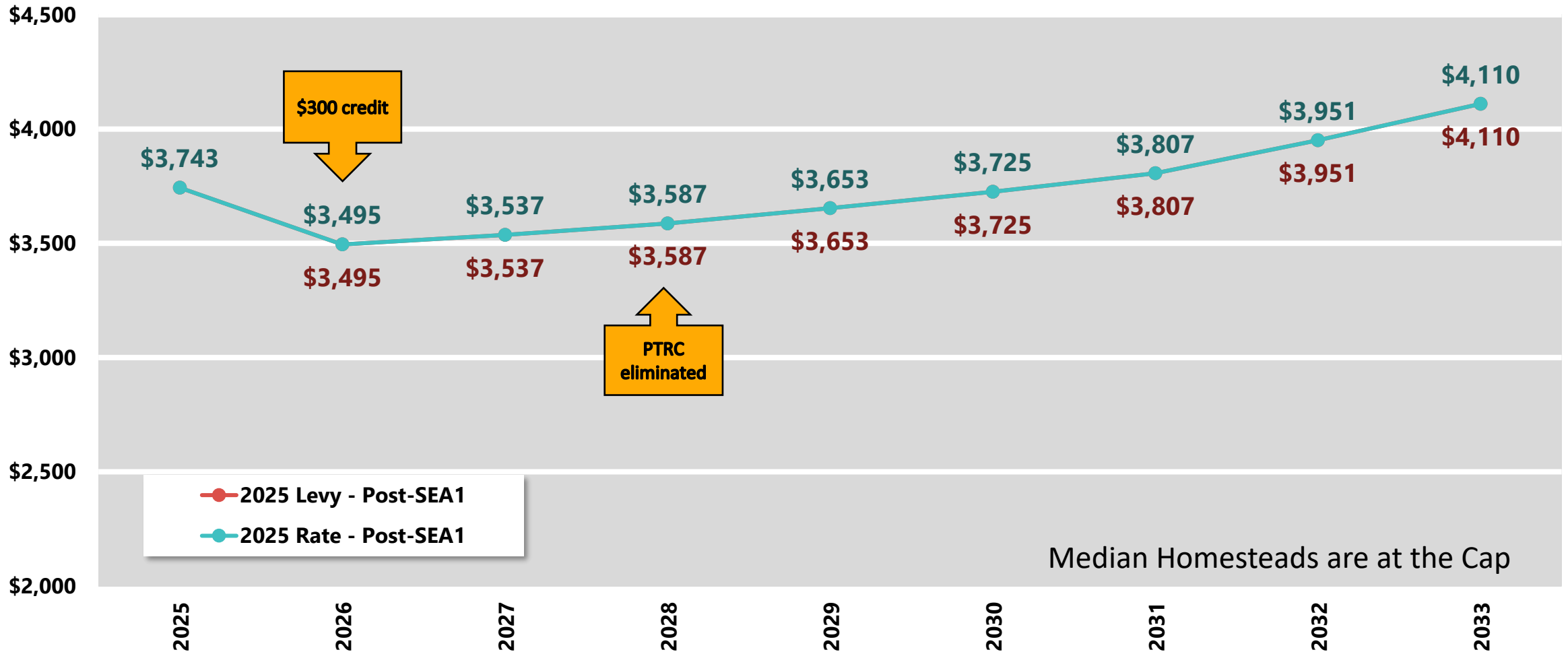


2025 School Corp Median AV: \$313,000

Median Homesteads are at the Cap

Taxpayer Impact: Net Liability on Median Homeowner

West Lafayette – WLSC-B-C taxing district which is 15.21% of the tax base; 2025 total tax rate of \$2.5575



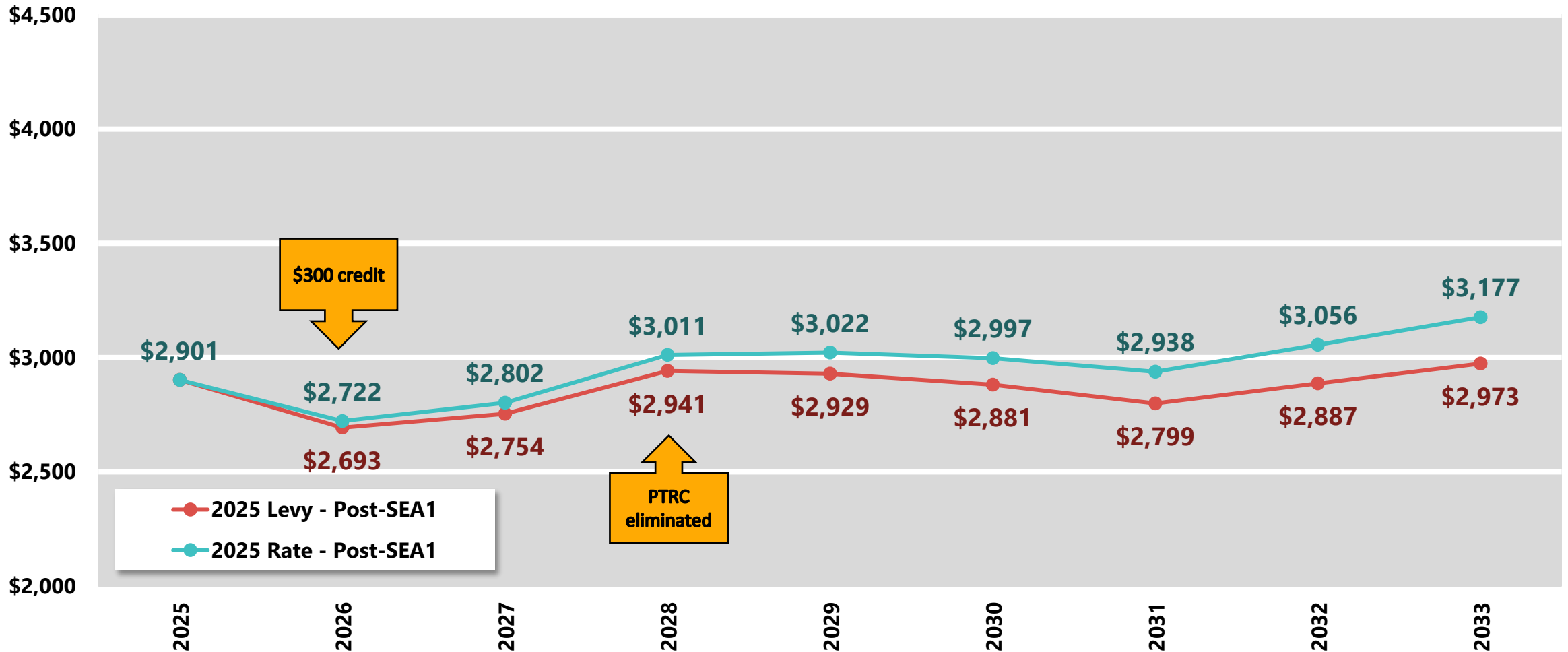
● 2025 Levy - Post-SEA1
● 2025 Rate - Post-SEA1

Median Homesteads are at the Cap

2025 School Corp Median AV: \$313,000

Taxpayer Impact: Net Liability on Median Homeowner

Wabash Township – WLSC-B taxing district which is .35% of the tax base; 2025 total tax rate of \$1.8884



2025 School Corp Median AV: \$313,000

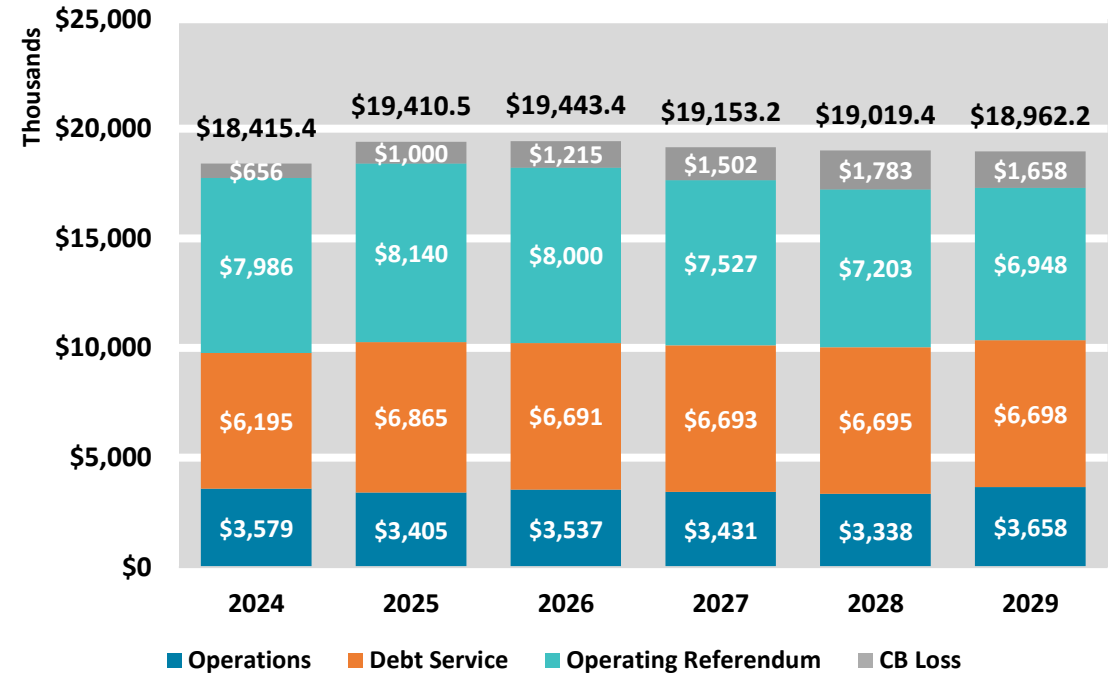
Appendix

Property Tax Revenue Projection: 2025 Levy – Post-SB1 Scenario

Dollars in Thousands

	2024	2025	2026	2027	2028	2029
Certified Levy						
Operating Referendum	7,988.5	8,143.5	8,000.5	7,527.3	7,203.4	6,948.3
Debt Service	6,199.0	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1
Operations	4,227.8	4,396.9	4,572.8	4,755.7	4,945.9	5,143.7
Unit Total	18,415.4	19,410.5	19,443.4	19,153.2	19,019.4	18,962.2
CB Loss						
Operating Referendum	2.8	3.7				
Debt Service	3.7	5.3	179.1	177.1	175.0	172.4
Operations	649.2	991.4	1,036.0	1,325.0	1,608.3	1,485.5
Unit Total	655.7	1,000.4	1,215.0	1,502.1	1,783.3	1,658.0
Net Levy						
Operating Referendum	7,985.7	8,139.8	8,000.5	7,527.3	7,203.4	6,948.3
Debt Service	6,195.3	6,864.8	6,691.1	6,693.0	6,695.1	6,697.7
Operations	3,578.6	3,405.4	3,536.8	3,430.7	3,337.6	3,658.2
Unit Total	17,759.7	18,410.1	18,228.3	17,651.1	17,236.1	17,304.2

Circuit Breaker Loss						
Operations	15.4%	22.5%	22.7%	27.9%	32.5%	28.9%
Total	3.6%	5.2%	6.2%	7.8%	9.4%	8.7%



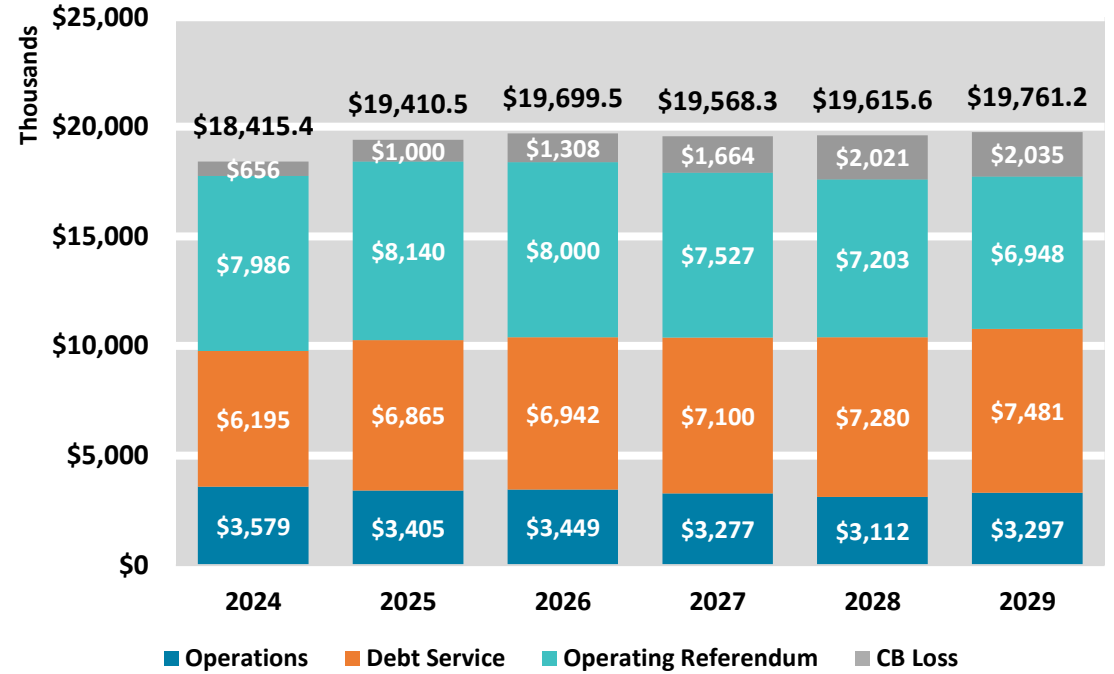
	2024	2025	2026	2027	2028	2029
Property Tax Rates						
Operating Referendum	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700
Debt Service	0.4909	0.5375	0.5410	0.5855	0.6124	0.6356
Operations	0.3348	0.3440	0.3601	0.4053	0.4409	0.4759
Unit Total	1.1957	1.2515	1.2711	1.3608	1.4233	1.4815

Property Tax Revenue Projection: 2025 Rate – Post-SB1 Scenario

Dollars in Thousands

	2024	2025	2026	2027	2028	2029
Certified Levy						
Operating Referendum	7,988.5	8,143.5	8,000.5	7,527.3	7,203.4	6,948.3
Debt Service	6,199.0	6,870.1	7,126.2	7,285.2	7,466.4	7,669.2
Operations	4,227.8	4,396.9	4,572.8	4,755.7	4,945.9	5,143.7
Unit Total	18,415.4	19,410.5	19,699.5	19,568.3	19,615.6	19,761.2
CB Loss						
Operating Referendum	2.8	3.7				
Debt Service	3.7	5.3	184.3	185.4	186.8	187.9
Operations	649.2	991.4	1,124.2	1,479.0	1,833.8	1,847.2
Unit Total	655.7	1,000.4	1,308.5	1,664.4	2,020.6	2,035.1
Net Levy						
Operating Referendum	7,985.7	8,139.8	8,000.5	7,527.3	7,203.4	6,948.3
Debt Service	6,195.3	6,864.8	6,941.9	7,099.9	7,279.6	7,481.3
Operations	3,578.6	3,405.4	3,448.6	3,276.7	3,112.1	3,296.6
Unit Total	17,759.7	18,410.1	18,391.0	17,903.9	17,595.0	17,726.1

Circuit Breaker Loss						
Operations	15.4%	22.5%	24.6%	31.1%	37.1%	35.9%
Total	3.6%	5.2%	6.6%	8.5%	10.3%	10.3%



	2024	2025	2026	2027	2028	2029
Property Tax Rates						
Operating Referendum	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700
Debt Service	0.4909	0.5375	0.5612	0.6209	0.6656	0.7095
Operations	0.3348	0.3440	0.3601	0.4053	0.4409	0.4759
Unit Total	1.1957	1.2515	1.2913	1.3962	1.4765	1.5554

NAV Projections

Dollars in Millions

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Pre-SB1												
Certified NAV	1,262.8	1,278.2	1,325.8	1,355.4	1,389.1	1,426.8	1,468.9	1,515.5	1,567.1	1,624.0	1,686.6	1,752.4
Referendum NAV	2,159.1	2,200.9	2,257.5	2,296.4	2,341.6	2,393.0	2,451.0	2,515.9	2,588.1	2,668.1	2,756.5	2,850.6
Post-SB1												
Certified NAV	1,262.8	1,278.2	1,269.8	1,173.4	1,121.8	1,080.9	1,041.2	1,009.3	1,041.0	1,075.8	1,113.9	1,153.9
Referendum NAV	2,159.1	2,200.9	2,162.3	2,034.4	1,946.9	1,877.9	1,817.4	1,776.0	1,824.3	1,877.4	1,935.8	1,998.0
Difference												
Certified NAV			-56.0	-182.0	-267.3	-345.9	-427.6	-506.2	-526.1	-548.2	-572.7	-598.5
Referendum NAV			-95.2	-262.0	-394.7	-515.1	-633.6	-739.8	-763.8	-790.6	-820.6	-852.6

Property Tax Revenue Projection: 2025 Levy – Post-SB1 Scenario

Dollars in Thousands

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Certified Levy												
Operating Referendum	7,988.5	8,143.5	8,000.5	7,527.3	7,203.4	6,948.3	6,724.4	6,571.3	6,749.8	6,946.5	7,162.6	7,392.7
Debt Service	6,199.0	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1	6,870.1
Operations	4,227.8	4,396.9	4,572.8	4,755.7	4,945.9	5,143.7	5,349.5	5,563.5	5,786.0	6,017.4	6,258.1	6,508.5
Unit Total	18,415.4	19,410.5	19,443.4	19,153.2	19,019.4	18,962.2	18,944.0	19,004.9	19,405.9	19,834.1	20,290.9	20,771.3
CB Loss												
Operating Referendum	2.8	3.7										
Debt Service	3.7	5.3	179.1	177.1	175.0	172.4	169.6	166.5	162.8	159.3	155.6	151.8
Operations	649.2	991.4	1,036.0	1,325.0	1,608.3	1,485.5	1,499.4	1,513.9	1,531.9	1,512.5	1,491.0	1,467.0
Unit Total	655.7	1,000.4	1,215.0	1,502.1	1,783.3	1,658.0	1,669.0	1,680.4	1,694.7	1,671.9	1,646.6	1,618.8
Net Levy												
Operating Referendum	7,985.7	8,139.8	8,000.5	7,527.3	7,203.4	6,948.3	6,724.4	6,571.3	6,749.8	6,946.5	7,162.6	7,392.7
Debt Service	6,195.3	6,864.8	6,691.1	6,693.0	6,695.1	6,697.7	6,700.6	6,703.7	6,707.3	6,710.8	6,714.6	6,718.4
Operations	3,578.6	3,405.4	3,536.8	3,430.7	3,337.6	3,658.2	3,850.1	4,049.5	4,254.1	4,504.9	4,767.1	5,041.5
Unit Total	17,759.7	18,410.1	18,228.3	17,651.1	17,236.1	17,304.2	17,275.0	17,324.5	17,711.2	18,162.2	18,644.3	19,152.6
Circuit Breaker Loss												
Operations	15.4%	22.5%	22.7%	27.9%	32.5%	28.9%	28.0%	27.2%	26.5%	25.1%	23.8%	22.5%
Total	3.6%	5.2%	6.2%	7.8%	9.4%	8.7%	8.8%	8.8%	8.7%	8.4%	8.1%	7.8%

Property Tax Revenue Projection: 2025 Rate – Post-SB1 Scenario

Dollars in Thousands

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Certified Levy												
Operating Referendum	7,988.5	8,143.5	8,000.5	7,527.3	7,203.4	6,948.3	6,724.4	6,571.3	6,749.8	6,946.5	7,162.6	7,392.7
Debt Service	6,199.0	6,870.1	7,126.2	7,285.2	7,466.4	7,669.2	7,895.1	8,145.8	8,423.0	8,728.8	9,065.5	9,419.1
Operations	4,227.8	4,396.9	4,572.8	4,755.7	4,945.9	5,143.7	5,349.5	5,563.5	5,786.0	6,017.4	6,258.1	6,508.5
Unit Total	18,415.4	19,410.5	19,699.5	19,568.3	19,615.6	19,761.2	19,969.0	20,280.5	20,958.8	21,692.7	22,486.2	23,320.3
CB Loss												
Operating Referendum	2.8	3.7										
Debt Service	3.7	5.3	184.3	185.4	186.8	187.9	189.1	190.4	191.3	192.7	194.1	195.4
Operations	649.2	991.4	1,124.2	1,479.0	1,833.8	1,847.2	1,970.3	2,100.5	2,243.9	2,361.3	2,488.2	2,618.4
Unit Total	655.7	1,000.4	1,308.5	1,664.4	2,020.6	2,035.1	2,159.4	2,290.9	2,435.2	2,554.1	2,682.2	2,813.8
Net Levy												
Operating Referendum	7,985.7	8,139.8	8,000.5	7,527.3	7,203.4	6,948.3	6,724.4	6,571.3	6,749.8	6,946.5	7,162.6	7,392.7
Debt Service	6,195.3	6,864.8	6,941.9	7,099.9	7,279.6	7,481.3	7,706.0	7,955.4	8,231.7	8,536.0	8,871.4	9,223.8
Operations	3,578.6	3,405.4	3,448.6	3,276.7	3,112.1	3,296.6	3,379.2	3,463.0	3,542.1	3,656.1	3,770.0	3,890.1
Unit Total	17,759.7	18,410.1	18,391.0	17,903.9	17,595.0	17,726.1	17,809.5	17,989.6	18,523.6	19,138.6	19,804.0	20,506.6
Circuit Breaker Loss												
Operations	15.4%	22.5%	24.6%	31.1%	37.1%	35.9%	36.8%	37.8%	38.8%	39.2%	39.8%	40.2%
Total	3.6%	5.2%	6.6%	8.5%	10.3%	10.3%	10.8%	11.3%	11.6%	11.8%	11.9%	12.1%

Property Tax Rates Projections

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2025 Levy – Post-SB1												
Operating Referendum	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700
Debt Service	0.4909	0.5375	0.5410	0.5855	0.6124	0.6356	0.6598	0.6807	0.6600	0.6386	0.6167	0.5954
Operations	0.3348	0.3440	0.3601	0.4053	0.4409	0.4759	0.5138	0.5512	0.5558	0.5593	0.5618	0.5640
Unit Total	1.1957	1.2515	1.2711	1.3608	1.4233	1.4815	1.5436	1.6019	1.5858	1.5679	1.5485	1.5294
2025 Rate – Post-SB1												
Operating Referendum	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700
Debt Service	0.4909	0.5375	0.5612	0.6209	0.6656	0.7095	0.7582	0.8071	0.8091	0.8114	0.8138	0.8163
Operations	0.3348	0.3440	0.3601	0.4053	0.4409	0.4759	0.5138	0.5512	0.5558	0.5593	0.5618	0.5640
Unit Total	1.1957	1.2515	1.2913	1.3962	1.4765	1.5554	1.6420	1.7283	1.7349	1.7407	1.7456	1.7503