

Commercial Properties on the Block with Property Taxes

By
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Who are the top 500 taxpayers in Lake County and what is their relationship to the community.

The top 500 taxpayers in Lake County are made up of Industry and commercial properties. Industrial taxable properties are used for the purpose of manufacturing, processing, refining foods and materials. Commercial property represents rental, business, commercial and recreational properties.

A number of us would agree that it is appropriate for these businesses to be at the top of this list. That's true, to some extent. But, they also represent jobs and create a base for the community that may result in a lower tax rate. Commercial properties, for instance, happen to provide rental properties for those who may not be able to afford a new house or do not want to be inconvenienced with the maintenance of the property. Commercial owners usually pass on any additional cost to their tenants or customers. It is natural that commercial owners want to make some profit on their investment because that is the spirit of entrepreneurship. Therefore, renters and customers indirectly pay for a high tax bill.

In Lake County the top 500 taxpayers represent .2% of the total number of parcels for the year 2001 payable 2002 and contributed **\$143,879,640** or 33% of the total levy. In contrast, for the year 2002 payable 2003, the contribution was **\$ 91,089,351**, a drop of \$52,849,494 translating to 19% of the total levy.

Demystifying what happened to the top 500 taxpayers before and after the reassessment.

As exhibited in the chart: Commercial properties taxes charged were \$47,158,461, which represented 33% of the total taxes charged for the year 2001 payable 2002. In the latest tax bill for the year 2002 payable 2003, commercial taxes charged \$53,865,203 which is 59% or a 26% increase from the total taxes charged the previous year. There was an increase from 274, (55% of the total number) to 314, (63% of the total number) commercial properties from the previous year. Basically, in the year 2001 payable 2002, .11% of the total number of commercial properties paid 11% of the total levy in Lake County, and for the year 2002 payable 2003, .13%

of the total number of commercial properties paid, which represent 11% of the total levy in Lake County.

Lake County Indiana Real Property Top 500 Tax Charged

	2001 pay 2002	2002 pay 2003	CHANGE
LAKE COUNTY			
TOTAL COUNTY LEVY	\$ 438,967,346	\$ 492,208,533	\$ 53,241,187
TOTAL PARCEL LAKE COUNTY	248,602	249,684	1,082
TOTAL TAXES CHARGED	\$ 143,879,640	\$ 91,089,351	\$ (52,790,289)
TOTAL NUMBER	500	500	-
AVERAGE	\$ 288,336	\$ 182,544	\$ (105,792)
MEDIAN	\$ 112,991	\$ 97,270	\$ (15,722)
MAXIMUM	\$ 16,908,619	\$ 4,008,738	\$ (12,899,881)
MINIMUM	\$ 57,647	\$ 55,163	\$ (2,484)
Commercial properties			
TOTAL TAXES CHARGED	47,158,461	\$ 53,865,203	\$ 6,706,743
TOTAL NUMBER	274	314	40
AVERAGE	\$ 172,111	\$ 171,545	\$ (566)
MEDIAN	\$ 112,571	\$ 97,270	\$ (15,302)
MAXIMUM	\$ 2,848,520	\$ 4,008,738	\$ 1,160,218
MINIMUM	\$ 57,647	\$ 55,331	\$ (2,316)
PERCENT TO TOTAL LAKE			
Commercial properties			
COMMERCIAL /TOTAL COUNTY LEVY	11%	11%	0%
TOTAL TAXES CHARGED	33%	59%	26%
TOTAL NUMBER	55%	63%	8%
TOTAL NUMBER COMMERCIAL / TOTAL COUNTY PARCELS	0.11%	0.13%	0.02%
AVERAGE	60%	94%	34%
MEDIAN	100%	100%	0%
MAXIMUM	17%	100%	83%
MINIMUM	100%	100%	0%

An opportunity for Jobs in Lake County and the State.

This change may indicate that the reliance on industry as a base may be shrinking and perhaps we should be looking to diversify our economic base from industry to commercial. Some of us may argue that the industry received preferential treatment in the last reassessment. Perhaps that may be true. But if we look at the number of parcels that represent industry in the top 500 and notice a reduction from 226 to 186 as coded for this reassessment, this should be a signal to us that we should seize this as an

opportunity to diversify to a commercial base. This means changing our mindset about the type of commercial development we have become accustomed to. We need to increase commercial development that will create jobs and keep the revenue generated through sales tax in our community as an incentive to improve a greater quality of life.

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