

STATE OF INDIANA

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Agricultural Land Base Rates For The Assessment Dates: 3-1-2013 to 1-1-2017

Data Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax Year												
17 Pay 18									\$1,850 ***			
16 Pay 17								\$1,960 **				
15 Pay 16			\$2,050 *									
14 Pay 15		\$2,050										
13 Pay 14	\$1,760											

The Agricultural Land Base Rate calculation was first established for the 2002 general reassessment and was developed in compliance with the St. John's court case using the methodology described below. The statute related to the base rate calculation can be found at IC 6-1.1-4-4.5(e).

The calculations made for the five years above are based on a rolling six-year average of market value in use. The statutes also require the elimination of the highest of the six years of data from the calculation. As illustrated in the following equation, the market value in use of agricultural land is calculated by dividing the net income of each acre by the appropriate capitalization rate.

$$\text{Market value in use} = \text{Net Income} / \text{Capitalization Rate}$$

The change in market value in use is based on changes in cash rent, yields, production costs, market prices and interest rates. For example, the change for 2017 pay 2018 was the result of the removal of the 2010 data and the addition of the 2016 data.

***March 1, 2015 payable in 2016:**

The calculation for this year resulted in a base rate of \$2,420; however Senate Enrolled Act 436-2015 was passed which set the March 1, 2015 base rate at \$2,050 (unchanged from 2014).

**** January 1, 2016 payable in 2017**

The base rate for this year was updated by removing the 2007, 2008, & 2009 data, adding the 2013, 2014, & 2015 data, excluding the highest year (2013) of the six-year average, and adjusting the capitalization rates per SEA 308-2016 to arrive at a final base rate of \$1,960.

*****January 1, 2017 payable in 2018:**

The base rate for this year was updated by removing the 2010 data, adding the 2016 data, excluding the highest year (2013) of the six-year average, and adjusting the capitalization rates per SEA 308-2016 to arrive at a final base rate of \$1,850.