

Agricultural economist finds fertile ground for conversation on tax reform

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INDIANAPOLIS — If you understand the intricacies of property tax reform in Indiana, you probably don't need to know who Larry DeBoer is.

But if you're baffled by homestead credits, gross assessed values, differential caps, and their connection to a constitutional referendum on the ballot this fall, then DeBoer is a good man to know.

His official title is professor of agricultural economics at Purdue University. Unofficially, he's known as the go-to guy for almost anyone — from farmers and firemen to lobbyists and lawmakers — who needs to know how Indiana state and local finances really work.

"My aim is to be understood," said DeBoer, shortly before taking the podium at a conference of emergency responders who'd invited him to simplify the complexities of Indiana's tax code.

That's no small goal, given the topic he's invited to speak on often these days: A proposed constitutional amendment that sets into stone the most sweeping changes in Indiana government finance in at least 35 years.

The amendment, if passed, would cap property taxes in

A referendum on reform



DeBoer

According to agricultural economist Larry DeBoer, Indiana's 2008 property tax reforms, which went into effect in 2009, have had significant impact. From 2007 to 2010, the net tax bill for commercial and industrial property has increased by almost 14 percent statewide. But taxes on homeowner-occupied residential property have decreased by almost 28 percent. The next step? Indiana voters will have their say on whether to make the reforms permanent when they head to the ballot box in November. To find out more about DeBoer's take on Indiana's property tax reform and the proposed constitutional amendment, visit his website at www.agecon.purdue.edu/crd/localgov/

Indiana forever and likely change the way local governments — long dependent on those property tax revenues — fund their services.

DeBoer doesn't advocate for or against the amendment. Instead, he advocates for understanding it.

His skill at helping others do that has earned him the affectionate title of "Everybody's Favorite Professor," from attorney and political blogger Doug Masson. Masson is a former staff member of the state's Legislative Services Agency, a nonpartisan agency where DeBoer works one day a week as a consultant on tax and finance issues.

"He understands everything about state and local government financing," Masson said. "And he can simplify it for an audience

without compromising the message."

With the amendment on the November ballot, DeBoer is traveling the state armed with graphs, charts and a dose of humor, delivering presentations to Rotarians, librarians, chambers of commerce, farmer organizations and a host of civic leaders.

The economics of government have fascinated him since he was a youngster, growing up outside New York City.

"I remember the headline, 'Ford to New York: Drop Dead,'" DeBoer said.

Carried in the New York Daily News, it headlined a 1975 story on President Gerald Ford's promise to veto a plan to bail out New York City, then on the brink of bankruptcy and unable to deliver basic services.

He remembered that as he studied economics as an undergraduate at Earlham College in Richmond, Ind., and later at Syracuse University as a graduate student earning his Ph.D. in macroeconomics.

When he was invited to join the faculty at Purdue University, as the agriculture department's resident economist, his interest in local government financing proved a perfect fit. Farmers, often the biggest property owners in a community, have a direct interest in how much of them they have to pay.

How local governments collect and spend their money on services that range from trash-collecting to fire-fighting, still fascinates him.

"Think of what cities and counties do. The services they deliver are so tangible," DeBoer said. "They've got to deliver the goods."