

PROPERTY TAXES IN BENTON COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

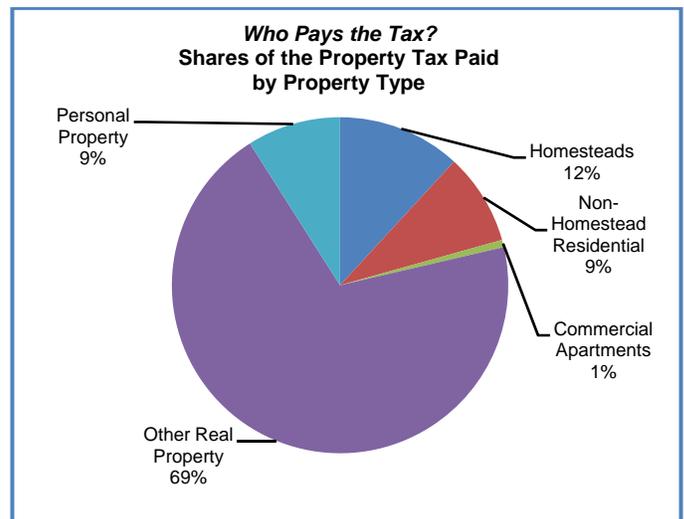
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over by the state. Homeowners will also receive a substantial new deduction from their home assessments. And “circuit breakers” will limit homeowner tax bills to a fixed percentage of their assessments, 1.5% in 2009 and 1% beginning in 2010. The circuit breaker for homeowners is 2% in 2008.

In 2008, substantial tax relief is provided through an added homestead credit. The credit will be financed with payments from the new race track casinos and from the added sales tax. Statewide, this amounts to added property tax relief of \$870 million. Homeowner taxes should fall by about one-third. Each county is different, however. Homeowner tax bills depend on changes in the homestead’s assessment and the assessments of other property, on changes in local government tax collections, on new local income tax adoptions, as well as on added state credits.

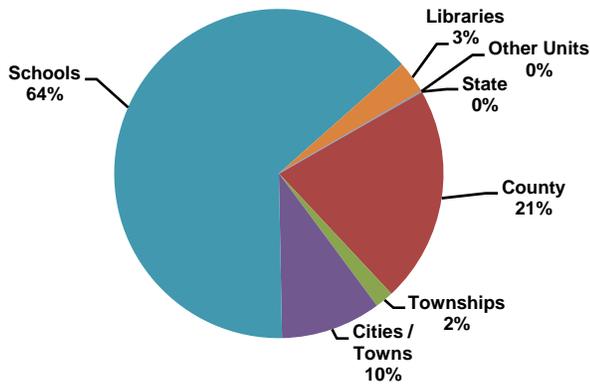
In Benton County, the average homeowner saw their tax bill decrease by 59.0% for 2008, with 96.3% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 20.8%, and 94.7% of homeowners would have seen tax bill decreases. Benton County adopted a local option income tax for 2008, which contributed additional property tax relief.

In Benton County, 12% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 9% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 1% are paid by owners of larger rental housing units (commercial apartments); and 78% are paid by other agricultural, commercial, industrial, or utility businesses on their real property (land and buildings) or on their personal property (equipment).

Change in Tax Bill	With Added 2008 Homestead Credit		Illustrated Without Added 2008 Homestead Credit	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or more	81	3.0%	92	3.4%
10% to 19%	1	0.0%	9	0.3%
1% to 9%	2	0.1%	26	1.0%
0%	17	0.6%	17	0.6%
-1% to -9%	6	0.2%	153	5.7%
-10% to -19%	6	0.2%	757	28.2%
-20% to -29%	19	0.7%	1,346	50.1%
-30% to -39%	48	1.8%	104	3.9%
-40% to -49%	169	6.3%	26	1.0%
-50% to -59%	407	15.1%	25	0.9%
-60% to -69%	1,732	64.5%	60	2.2%
-70% to -79%	63	2.3%	26	1.0%
-80% to -89%	88	3.3%	5	0.2%
-90% to -99%	9	0.3%	2	0.1%
-100%	39	1.5%	39	1.5%
Total	2,687	100.0%	2,687	100.0%
Higher Tax Bill	84	3.1%	127	4.7%
No Change	17	0.6%	17	0.6%
Lower Tax Bill	2,586	96.3%	2,543	94.7%
Average Change in Tax Bill	-59.0%		-20.8%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Benton County property tax levies increased 2.7% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The Benton Community School Corporation school bus replacement levy increased the most.

In Benton County, school corporations receive 64% of all property taxes. The county and the towns receive most of the rest. Townships, library districts, and the state receive a small share of property taxes.

In 2009 the school and county shares of property tax revenue will decrease significantly when the state takes over the school general fund and county welfare levies.

Changes in Property Tax Levies from 2007 to 2008
by Governmental Units in Benton County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$14,707,240</i>	<i>\$15,110,052</i>	<i>2.7%</i>
State Unit	12,576	14,243	13.3%
Benton County	3,110,391	3,212,933	3.3%
Bolivar Township	24,757	24,949	0.8%
Center Township	53,462	53,789	0.6%
Gilboa Township	12,282	11,458	-6.7%
Grant Township	17,137	17,921	4.6%
Hickory Grove Township	47,855	50,052	4.6%
Oak Grove Township	31,502	31,248	-0.8%
Parish Grove Township	16,231	16,894	4.1%
Pine Township	16,334	16,730	2.4%
Richland Township	25,675	26,920	4.8%
Union Township	10,669	10,904	2.2%
York Township	12,931	13,506	4.4%
Ambia Civil Town	22,047	22,603	2.5%
Boswell Civil Town	185,545	194,258	4.7%
Earl Park Civil Town	50,729	52,999	4.5%
Fowler Civil Town	815,423	829,670	1.7%
Otterbein Civil Town	141,778	144,630	2.0%
Oxford Civil Town	237,444	245,195	3.3%
Benton Community School Corporation	8,233,630	8,360,591	1.5%
South Newton School Corporation	411,093	499,966	21.6%
Tri County School Corporation	632,070	773,798	22.4%
Boswell Public Library	137,159	101,403	-26.1%
Earl Park Public Library	27,141	26,117	-3.8%
Otterbein Public Library	152,382	86,002	-43.6%
Oxford Public Library	92,938	96,427	3.8%
Benton County Public Library	166,938	165,346	-1.0%
York Township Public Library	9,121	9,500	4.2%