

# PROPERTY TAXES IN BROWN COUNTY, INDIANA, 2007-2008



Legislative Services Agency

November 2009

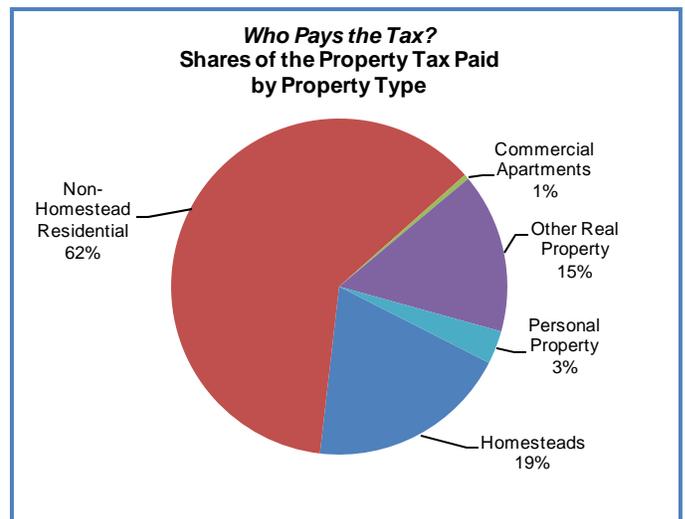
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over 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. Brown County adopted a new local option income tax for 2008, which contributed additional property tax relief.

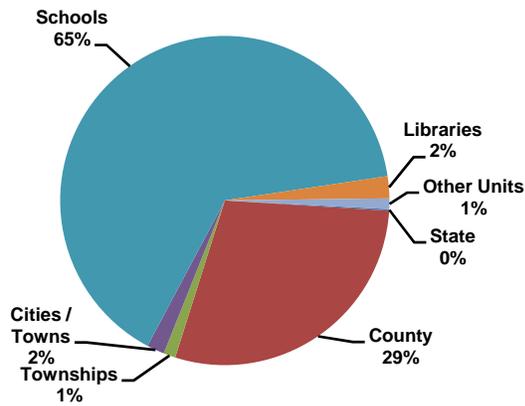
In Brown County, the average homeowner saw their tax bill decrease by 32.0% for 2008, with 88.7% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 3.6%, and 33.8% of homeowners would have seen tax bill increases.

In Brown County, 19% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 62% 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 18% 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	170	4.2%	427	10.6%
10% to 19%	120	3.0%	368	9.1%
1% to 9%	165	4.1%	571	14.1%
0%	0	0.0%	1	0.0%
-1% to -9%	237	5.9%	809	20.0%
-10% to -19%	336	8.3%	1,168	28.9%
-20% to -29%	428	10.6%	480	11.9%
-30% to -39%	541	13.4%	124	3.1%
-40% to -49%	679	16.8%	50	1.2%
-50% to -59%	1,051	26.0%	20	0.5%
-60% to -69%	197	4.9%	8	0.2%
-70% to -79%	57	1.4%	6	0.1%
-80% to -89%	27	0.7%	1	0.0%
-90% to -99%	26	0.6%	1	0.0%
-100%	6	0.1%	6	0.1%
<b>Total</b>	<b>4,040</b>	<b>100.0%</b>	<b>4,040</b>	<b>100.0%</b>
Higher Tax Bill	455	11.3%	1,366	33.8%
No Change	0	0.0%	1	0.0%
Lower Tax Bill	3,585	88.7%	2,673	66.2%
<b>Average Change in Tax Bill</b>	<b>-32.0%</b>		<b>-3.6%</b>	



**Who Gets the Revenue?**  
**Property Tax Levies by Government Type**



On average, Brown County property tax levies increased 12.2% from 2007 to 2008. This is much higher than the expected statewide average increase of 5%. Brown County School Corporation and Brown County were responsible for the largest levy increases, due to increases in taxes for debt service.

In Brown County, 65% of all property taxes are collected for the school corporations. The county and the cities and towns collect most of the rest. Townships, library districts, special districts, and the state collect 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 Brown County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$18,863,071	\$21,155,418	12.2%
State Unit	32,020	32,881	2.7%
Brown County	5,459,429	6,111,733	11.9%
Hamblen Township	42,352	41,949	-1.0%
Jackson Township	47,737	47,009	-1.5%
Van Buren Township	27,569	79,078	186.8%
Washington Township	81,309	81,967	0.8%
Nashville Civil Town	365,358	365,058	-0.1%
Brown County School Corporation	12,182,319	13,716,805	12.6%
Brown County Public Library	450,950	460,333	2.1%
Hamblen Township Fire Protection Distr.	39,277	84,341	114.7%
Brown County Solid Waste Management	134,751	134,264	-0.4%