

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



Legislative Services Agency

October 2008

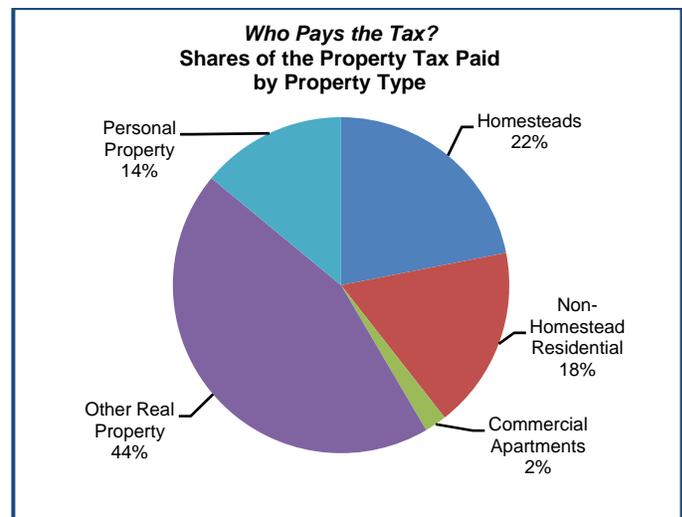
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over 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. Clay County did not adopt a new local option income tax for 2008.

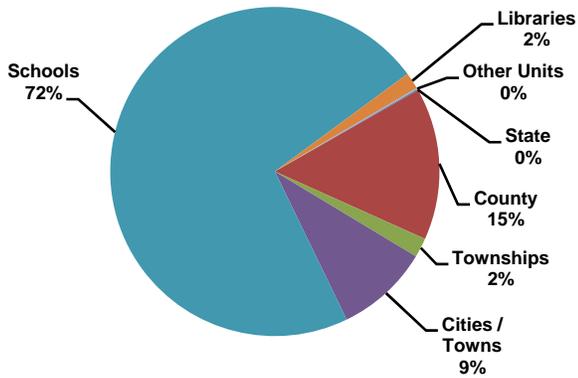
In Clay County, the average homeowner saw their tax bill decrease by 43.6% for 2008, with 97.4% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 6.8%, and 85.5% of homeowners would have seen tax bill increases.

In Clay County, 22% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 18% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 2% are paid by owners of larger rental housing units (commercial apartments); and 58% 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	45	0.6%	471	6.3%
10% to 19%	23	0.3%	883	11.8%
1% to 9%	27	0.4%	5,042	67.5%
0%	98	1.3%	98	1.3%
-1% to -9%	78	1.0%	592	7.9%
-10% to -19%	175	2.3%	186	2.5%
-20% to -29%	342	4.6%	63	0.8%
-30% to -39%	999	13.4%	40	0.5%
-40% to -49%	4,566	61.1%	26	0.3%
-50% to -59%	931	12.5%	20	0.3%
-60% to -69%	96	1.3%	12	0.2%
-70% to -79%	45	0.6%	10	0.1%
-80% to -89%	20	0.3%	6	0.1%
-90% to -99%	6	0.1%	2	0.0%
-100%	18	0.2%	18	0.2%
<b>Total</b>	<b>7,469</b>	<b>100.0%</b>	<b>7,469</b>	<b>100.0%</b>
Higher Tax Bill	95	1.3%	6,396	85.5%
No Change	98	1.3%	98	1.3%
Lower Tax Bill	7,276	97.4%	975	13.2%
Average Change in Tax Bill	-43.6%		6.8%	



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



On average, Clay County property tax levies increased 6.5% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The largest increases were in the debt service and school bus replacement levies of the Clay Community School Corporation and in several levies of the Shakamak School Corporation and of Brazil City.

In Clay County, school corporations receive 72% of all property taxes. The county, city, and towns receive most of the rest. Townships, the library district, special 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 Clay County**

Taxing Unit	2007 Levy	2008 Levy	Change
<b>County Total</b>	<b>\$20,117,574</b>	<b>\$21,419,681</b>	<b>6.5%</b>
State Unit	21,824	21,990	0.8%
Clay County	3,159,931	3,202,192	1.3%
Brazil Township	96,509	99,283	2.9%
Cass Township	2,493	2,801	12.4%
Dick Johnson Township	29,751	31,006	4.2%
Harrison Township	40,945	40,197	-1.8%
Jackson Township	18,145	23,231	28.0%
Lewis Township	19,440	23,834	22.6%
Perry Township	19,431	20,077	3.3%
Posey Township	45,726	66,451	45.3%
Sugar Ridge Township	14,949	17,342	16.0%
Van Buren Township	72,201	75,547	4.6%
Washington Township	8,295	9,092	9.6%
Brazil Civil City	1,563,122	1,700,531	8.8%
Carbon Civil Town	10,319	10,890	5.5%
Center Point Civil Town	11,082	11,549	4.2%
Clay City Civil Town	126,066	135,141	7.2%
Knightsville Civil Town	31,542	33,910	7.5%
Staunton Civil Town	19,430	21,216	9.2%
Harmony Civil Town	50,368	54,604	8.4%
Clay Community School Corporation	13,459,432	14,290,472	6.2%
M.S.D. Shakamak School Corporation	965,699	1,149,709	19.1%
Brazil Public Library	303,929	347,683	14.4%
Poland Fire Territory (Jackson Township)	14,141	17,099	20.9%
Clay County Redevelopment Commission	12,804	13,834	8.0%