PROPERTY TAXES IN DELAWARE COUNTY, INDIANA, 2007-2008

Legislative Services Agency October 2008

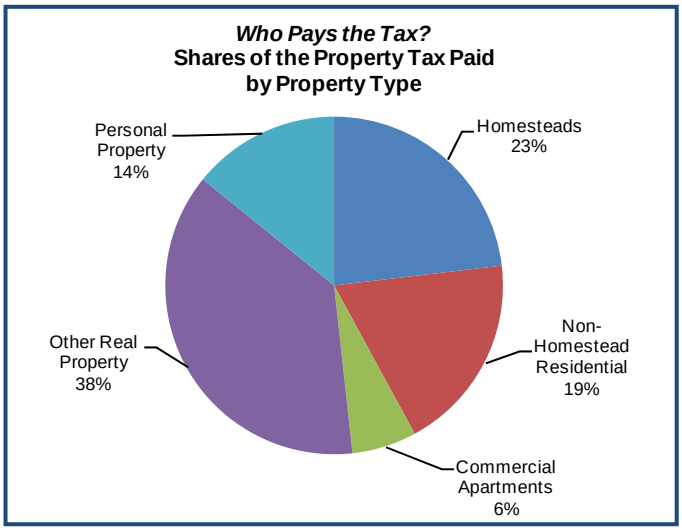
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

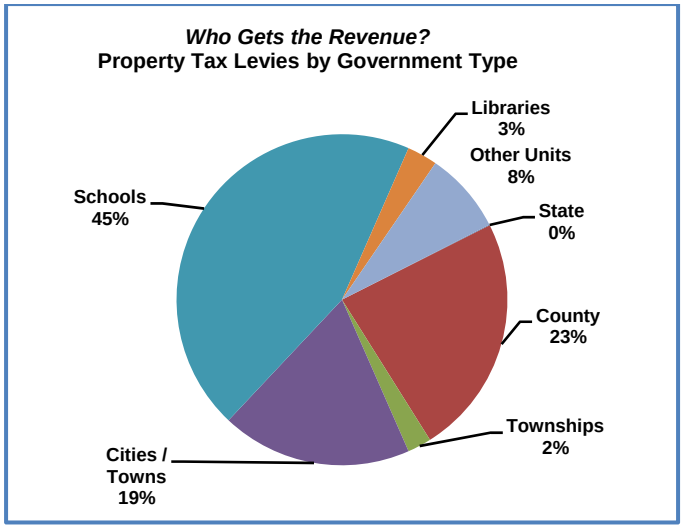
Changes in Homeowner Tax Bills from 2007 to 2008

	With Added 2008 Homestead Credit		Illustrated Without Added 2008 Homestead Credit	
Change in Tax Bill	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
20% or more	245	0.8%	2,320	8.0%
10% to 19%	77	0.3%	7,734	26.6%
1% to 9%	132	0.5%	12,244	42.1%
0%	469	1.6%	474	1.6%
-1% to -9%	368	1.3%	3,707	12.7%
-10% to -19%	1,346	4.6%	1,275	4.4%
-20% to -29%	5,923	20.4%	563	1.9%
-30% to -39%	12,090	41.6%	282	1.0%
-40% to -49%	6,805	23.4%	183	0.6%
-50% to -59%	963	3.3%	83	0.3%
-60% to -69%	377	1.3%	62	0.2%
-70% to -79%	124	0.4%	46	0.2%
-80% to -89%	68	0.2%	31	0.1%
-90% to -99%	28	0.1%	11	0.0%
-100%	68	0.2%	68	0.2%
Total	29,083	100.0%	29,083	100.0%
Higher Tax Bill	454	1.6%	22,298	76.7%
No Change	469	1.6%	474	1.6%
Lower Tax Bill	28,160	96.8%	6,311	21.7%
Average Change in Tax Bill	-34.4%		6.3%	

In Delaware County, the average homeowner saw their tax bill decrease by 34.4% for 2008, with 96.8% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 6.3%, and 76.7% of homeowners would have seen tax bill increases.



In Delaware County, 23% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 19% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 6% are paid by owners of larger rental housing units (commercial apartments); and 52% are paid by other agricultural, commercial, industrial, or utility businesses on their real property (land and buildings) or on their personal property (equipment).



On average, Delaware County property tax levies increased 3.3% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The largest increases were in the county welfare fund and county debt service fund levies.

In Delaware County, school corporations receive 45% of all property taxes. The county, city, and towns receive 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 Delaware County

Taxing Unit	2007 Levy	2008 Levy	Change
County Total	*$145,156,946*	*$150,018,157*	*3.3%*
State Unit	93,867	94,741	0.9%
Delaware County	29,665,866	35,267,384	18.9%
Center Township	2,281,941	2,375,924	4.1%
Delaware Township	50,066	51,723	3.3%
Hamilton Township	186,796	194,036	3.9%
Harrison Township	77,129	78,397	1.6%
Liberty Township	105,107	112,860	7.4%
Monroe Township	158,556	144,260	-9.0%
Mt. Pleasant Township	337,637	292,375	-13.4%
Niles Township	36,478	37,437	2.6%
Perry Township	29,796	31,019	4.1%
Salem Township	98,361	105,106	6.9%
Union Township	45,649	47,409	3.9%
Washington Township	28,505	33,495	17.5%
Muncie Civil City	25,286,888	24,651,423	-2.5%
Albany Civil Town	275,279	287,563	4.5%
Eaton Civil Town	289,736	299,254	3.3%
Gaston Civil Town	159,966	176,769	10.5%
Selma Civil Town	92,648	95,907	3.5%
Yorktown Civil Town	1,721,583	2,080,259	20.8%
Chesterfield Civil Town	56,522	57,023	0.9%
Daleville Civil Town	254,988	262,113	2.8%
Delaware Community School Corporation	9,331,754	9,625,246	3.1%
Wes-Del Community School Corporation	3,505,741	3,699,047	5.5%
Liberty-Perry Community School Corporation	3,826,862	3,876,916	1.3%
Cowan Community School Corporation	2,548,042	2,502,855	-1.8%
Mt. Pleasant Township Community School Corporation	9,812,480	10,201,955	4.0%
Daleville Community Schools Corporation	3,106,225	3,474,274	11.8%
Muncie Community School Corporation	35,160,065	33,480,121	-4.8%
Muncie Public Library	3,874,548	4,051,223	4.6%
Yorktown - Mt Pleasant Library	380,547	396,816	4.3%
Muncie Sanitary	7,433,713	7,497,736	0.9%
Muncie Public Transportation	3,512,222	2,979,782	-15.2%
Delaware Airport	543,646	556,605	2.4%
East Central Indiana Solid Waste Management District	226,845	232,905	2.7%
Delaware County Redevelopment Commission	393,818	440,043	11.7%
Town Of Yorktown Redevelopment Commission	7,519	13,433	78.7%
Muncie Redevelopment Commission	159,555	212,723	33.3%