

PROPERTY TAXES IN FAYETTE COUNTY, INDIANA, 2007-2008



Legislative Services Agency

October 2008

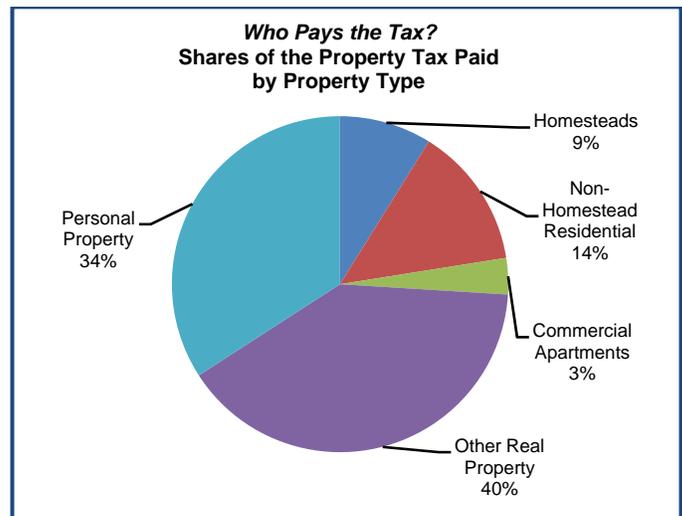
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over 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.

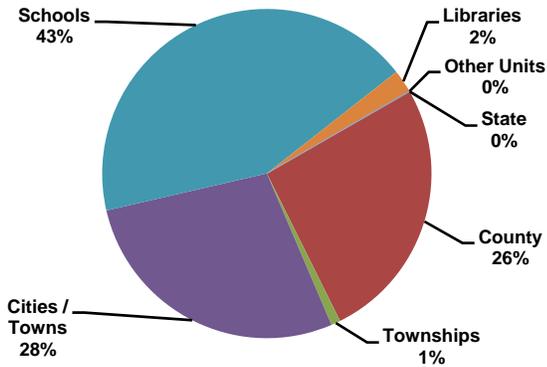
In Fayette County, the average homeowner saw their tax bill decrease by 76.2% for 2008, with 98.6% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by only 15.3%, though 90.1% of homeowners would have seen tax bill decreases. Fayette County adopted a local option income tax for 2008, which contributed additional property tax relief.

In Fayette County, 9% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 14% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 3% are paid by owners of larger rental housing units (commercial apartments); and 74% 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	13	0.2%	164	2.4%
10% to 19%	2	0.0%	114	1.7%
1% to 9%	10	0.1%	325	4.8%
0%	70	1.0%	70	1.0%
-1% to -9%	10	0.1%	1,436	21.2%
-10% to -19%	10	0.1%	3,002	44.2%
-20% to -29%	29	0.4%	1,288	19.0%
-30% to -39%	61	0.9%	219	3.2%
-40% to -49%	135	2.0%	70	1.0%
-50% to -59%	284	4.2%	43	0.6%
-60% to -69%	575	8.5%	22	0.3%
-70% to -79%	3,020	44.5%	12	0.2%
-80% to -89%	2,507	36.9%	2	0.0%
-90% to -99%	46	0.7%	5	0.1%
-100%	17	0.3%	17	0.3%
Total	6,789	100.0%	6,789	100.0%
Higher Tax Bill	25	0.4%	603	8.9%
No Change	70	1.0%	70	1.0%
Lower Tax Bill	6,694	98.6%	6,116	90.1%
Average Change in Tax Bill	-76.2%		-15.3%	



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



On average, Fayette County property tax levies increased 2.4% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The largest increases were in the county welfare levies and Connersville City general fund levy.

In Fayette County, the school corporation receives 43% of all property taxes. The county, city, and town receive most of the rest. Townships, the library district, 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 Fayette County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$27,862,844	\$28,535,131	2.4%
State Unit	20,499	21,242	3.6%
Fayette County	6,803,074	7,397,365	8.7%
Columbia Township	7,196	7,453	3.6%
Connersville Township	117,188	121,596	3.8%
Fairview Township	6,681	6,928	3.7%
Harrison Township	55,442	80,585	45.4%
Jackson Township	10,860	11,265	3.7%
Jennings Township	4,130	4,286	3.8%
Orange Township	8,034	8,317	3.5%
Posey Township	15,653	16,200	3.5%
Waterloo Township	5,821	6,023	3.5%
Connersville Civil City	7,639,463	7,920,450	3.7%
Glenwood Civil Town	13,629	15,028	10.3%
Fayette County School Corporation	12,603,412	12,274,067	-2.6%
Fayette County Public Library	551,762	644,326	16.8%