

PROPERTY TAXES IN FLOYD COUNTY, INDIANA, 2007-2008



Legislative Services Agency

November 2008

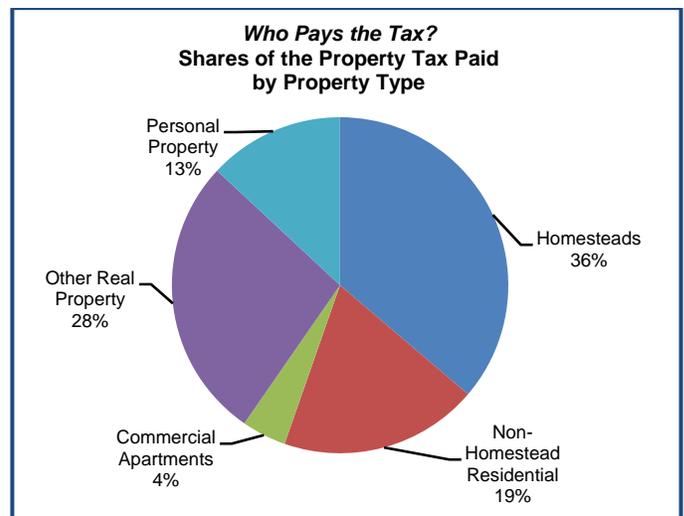
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

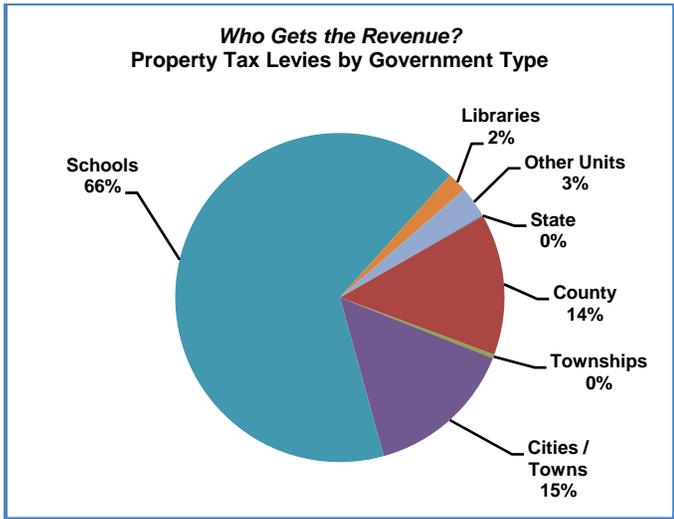
In 2008, substantial tax relief is provided through an added homestead credit. The credit will be financed with payments from the new race track casinos and from the added sales tax. Statewide, this amounts to added property tax relief of \$870 million. Homeowner taxes should fall by about one-third. 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. Floyd County did not adopt a new local option income tax for 2008.

In Floyd County, the average homeowner saw their tax bill decrease by 28.1% for 2008, with 98.1% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 10.9%, and 91.2% of homeowners would have seen tax bill increases.

In Floyd County, 36% 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); 4% are paid by owners of larger rental housing units (commercial apartments); and 41% 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	94	0.5%	3,015	16.0%
10% to 19%	60	0.3%	5,175	27.4%
1% to 9%	117	0.6%	9,033	47.8%
0%	98	0.5%	101	0.5%
-1% to -9%	326	1.7%	1,145	6.1%
-10% to -19%	2,296	12.1%	251	1.3%
-20% to -29%	7,621	40.3%	71	0.4%
-30% to -39%	6,771	35.8%	44	0.2%
-40% to -49%	1,295	6.9%	19	0.1%
-50% to -59%	136	0.7%	17	0.1%
-60% to -69%	41	0.2%	9	0.0%
-70% to -79%	22	0.1%	1	0.0%
-80% to -89%	7	0.0%	6	0.0%
-90% to -99%	6	0.0%	3	0.0%
-100%	11	0.1%	11	0.1%
Total	18,901	100.0%	18,901	100.0%
Higher Tax Bill	271	1.4%	17,223	91.2%
No Change	98	0.5%	101	0.5%
Lower Tax Bill	18,532	98.1%	1,577	8.3%
Average Change in Tax Bill	-28.1%		10.9%	





On average, Floyd County property tax levies increased 9.2% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The largest tax levy increases were in the county welfare funds and the school corporation's general fund and debt service fund.

In Floyd County, the school corporation receives 66% of all property taxes. The county, city, and towns receive most of the rest. Townships, the library district, the 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 Floyd County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$78,346,229	\$85,584,171	9.2%
State Unit	83,444	86,572	3.7%
Floyd County	9,051,776	11,884,750	31.3%
Franklin Township	11,268	11,664	3.5%
Georgetown Township	76,585	5,909	-92.3%
Greenville Township	100,548	107,736	7.1%
Lafayette Township	33,106	24,991	-24.5%
New Albany Township	168,752	176,934	4.8%
New Albany Civil City	12,010,081	12,282,791	2.3%
Georgetown Civil Town	229,587	244,933	6.7%
Greenville Civil Town	18,555	18,933	2.0%
New Albany-Floyd County Consolidated Schools	51,811,606	56,466,500	9.0%
New Albany-Floyd County Public Library	1,867,053	1,662,901	-10.9%
New Albany Flood Control	858,844	855,419	-0.4%
Georgetown Twp Fire District	739,612	553,734	-25.1%
Lafayette Twp Fire District	586,660	439,283	-25.1%
New Albany Twp Fire District	698,752	761,121	8.9%