

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



Legislative Services Agency

September 2008

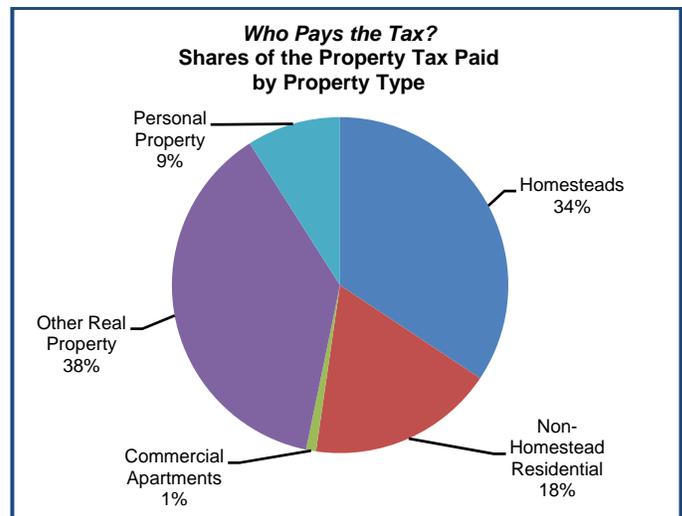
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

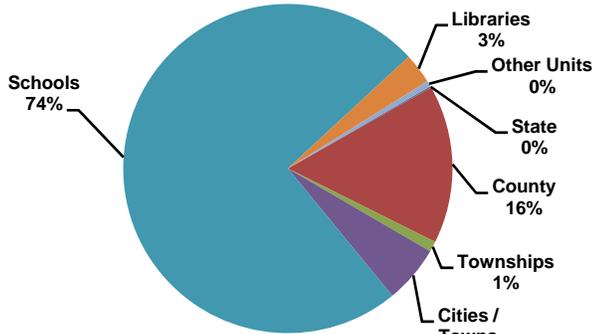
In Franklin County, the average homeowner saw their tax bill decrease by 27.6% for 2008, with 97.3% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 13.7%, and 94.2% of homeowners would have seen tax bill increases.

In Franklin County, 34% 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); 1% are paid by owners of larger rental housing units (commercial apartments); and 47% 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	56	0.9%	1,312	22.1%
10% to 19%	29	0.5%	2,699	45.5%
1% to 9%	49	0.8%	1,571	26.5%
0%	22	0.4%	23	0.4%
-1% to -9%	198	3.3%	225	3.8%
-10% to -19%	836	14.1%	30	0.5%
-20% to -29%	2,419	40.8%	24	0.4%
-30% to -39%	2,024	34.1%	15	0.3%
-40% to -49%	233	3.9%	6	0.1%
-50% to -59%	27	0.5%	8	0.1%
-60% to -69%	15	0.3%	7	0.1%
-70% to -79%	11	0.2%	2	0.0%
-80% to -89%	3	0.1%	1	0.0%
-90% to -99%	2	0.0%	1	0.0%
-100%	3	0.1%	3	0.1%
<b>Total</b>	<b>5,927</b>	<b>100.0%</b>	<b>5,927</b>	<b>100.0%</b>
Higher Tax Bill	134	2.3%	5,582	94.2%
No Change	22	0.4%	23	0.4%
Lower Tax Bill	5,771	97.3%	322	5.4%
<b>Average Change in Tax Bill</b>	<b>-27.6%</b>		<b>13.7%</b>	



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



On average, Franklin County property tax levies increased 10.8% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The largest increases were in the Franklin County Community School Corporation general fund and debt service fund levies.

In Franklin County, school corporations receive 74% of all property taxes. The county receives most of the rest. The city, towns, townships, library districts, solid waste management 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 Franklin County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$18,183,897</i>	<i>\$20,140,844</i>	<i>10.8%</i>
State Unit	24,150	26,073	8.0%
Franklin County	3,042,807	3,136,346	3.1%
Bath Township	8,604	8,760	1.8%
Blooming Grove Township	12,310	12,678	3.0%
Brookville Township	40,404	41,280	2.2%
Butler Township	7,940	7,787	-1.9%
Fairfield Township	8,554	8,553	0.0%
Highland Township	13,274	13,364	0.7%
Laurel Township	15,236	15,790	3.6%
Metamora Township	14,931	15,015	0.6%
Posey Township	16,117	6,207	-61.5%
Ray Township	20,648	19,835	-3.9%
Salt Creek Township	8,221	8,416	2.4%
Springfield Township	16,084	16,559	3.0%
Whitewater Township	32,096	31,322	-2.4%
Batesville Civil City	457,023	494,151	8.1%
Cedar Grove Civil Town	3,113	3,383	8.7%
Laurel Civil Town	28,684	30,458	6.2%
Oldenburg Civil Town	120,190	121,053	0.7%
Brookville Civil Town	499,927	494,482	-1.1%
Franklin County Community School Corporation	9,402,754	10,811,711	15.0%
Batesville Community School Corporation	3,342,308	3,625,431	8.5%
Union County School Corporation	347,333	478,175	37.7%
Whitewater Valley Community Library	468,269	469,170	0.2%
Batesville Public Library	121,230	129,690	7.0%
Southeastern Indiana Solid Waste Management District	111,690	115,155	3.1%