

PROPERTY TAXES IN HENRY COUNTY, INDIANA, 2007-2008



Legislative Services Agency

September 2008

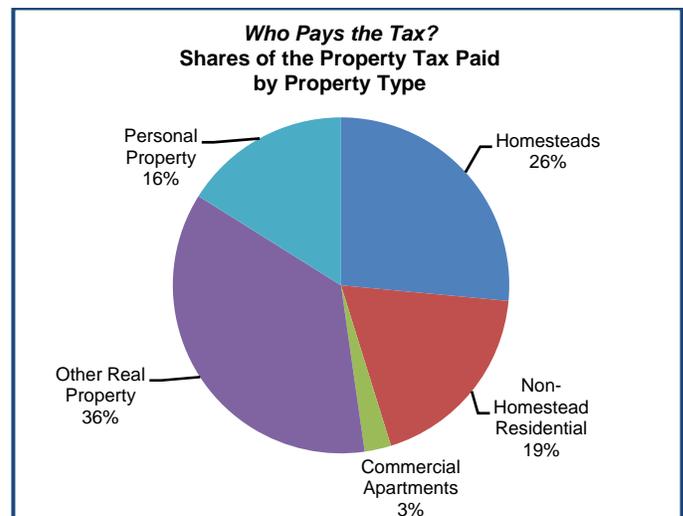
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

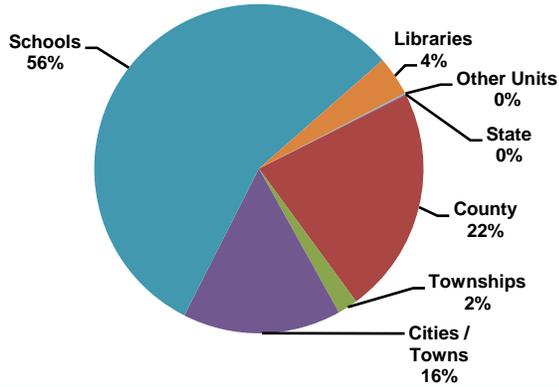
In Henry County, the average homeowner saw their tax bill decrease by 35.7% for 2008, with 97.9% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 0.5%, and 52.4% of homeowners would have seen tax bill increases.

In Henry County, 26% 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); 3% 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).

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	83	0.6%	507	3.8%
10% to 19%	43	0.3%	1,027	7.7%
1% to 9%	62	0.5%	5,481	40.9%
0%	88	0.7%	95	0.7%
-1% to -9%	117	0.9%	4,861	36.3%
-10% to -19%	465	3.5%	930	6.9%
-20% to -29%	1,692	12.6%	207	1.5%
-30% to -39%	4,887	36.5%	99	0.7%
-40% to -49%	5,241	39.1%	52	0.4%
-50% to -59%	499	3.7%	52	0.4%
-60% to -69%	95	0.7%	33	0.2%
-70% to -79%	67	0.5%	15	0.1%
-80% to -89%	24	0.2%	7	0.1%
-90% to -99%	11	0.1%	8	0.1%
-100%	14	0.1%	14	0.1%
Total	13,388	100.0%	13,388	100.0%
Higher Tax Bill	188	1.4%	7,015	52.4%
No Change	88	0.7%	95	0.7%
Lower Tax Bill	13,112	97.9%	6,278	46.9%
Average Change in Tax Bill	-35.7%		0.5%	



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



On average, Henry County property tax levies increased 2.3% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The county welfare funds were responsible for the largest levy increases.

In Henry County, school corporations receive 56% of all property taxes. The county, the city and the towns receive most of the rest. Townships, library districts, the redevelopment commission, 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 Henry County**

Taxing Unit	2007			2008			
	Levy	Levy	Change	Levy	Levy	Change	
County Total	\$49,314,762	\$50,463,376	2.3%				
State Unit	41,094	42,820	4.2%	Knightsstown Civil Town	373,487	382,860	2.5%
Henry County	10,030,219	11,279,478	12.5%	Lewisville Civil Town	29,986	31,102	3.7%
Blue River Township	31,379	32,087	2.3%	Middletown Civil Town	391,895	399,362	1.9%
Dudley Township	17,919	17,907	-0.1%	Mooreland Civil Town	25,373	25,351	-0.1%
Fall Creek Township	63,827	65,068	1.9%	Mount Summit Civil Town	5,616	5,813	3.5%
Franklin Township	29,514	29,125	-1.3%	Spiceland Civil Town	52,329	54,038	3.3%
Greensboro Township	39,596	19,509	-50.7%	Springport Civil Town	12,035	12,481	3.7%
Harrison Township	25,539	26,127	2.3%	Straughn Civil Town	18,211	18,849	3.5%
Henry Township	475,250	488,030	2.7%	Sulphur Springs Civil Town	19,813	20,436	3.1%
Jefferson Township	43,491	43,749	0.6%	Blue River Valley School Corporation	2,976,446	2,960,533	-0.5%
Liberty Township	28,546	29,419	3.1%	South Henry School Corporation	2,901,762	2,704,826	-6.8%
Prairie Township	104,582	124,798	19.3%	Shenandoah School Corporation	4,998,635	4,809,476	-3.8%
Spiceland Township	37,258	37,913	1.8%	New Castle Community School Corporation	12,420,626	12,639,340	1.8%
Stoney Creek Township	26,105	26,779	2.6%	Charles A. Beard Memorial School Corporation	3,965,528	4,174,621	5.3%
Wayne Township	58,948	60,864	3.3%	Union School Corporation	498,712	463,391	-7.1%
New Castle Civil City	6,469,668	6,766,360	4.6%	Nettle Creek School Corporation	530,850	541,806	2.1%
Shirley Civil Town	49,926	50,327	0.8%	Knightsstown Public Library	46,759	48,120	2.9%
Blountsville Civil Town	6,771	7,163	5.8%	Middletown-Fall Creek Township Public Library	101,242	116,580	15.1%
Cadiz Civil Town	3,534	3,665	3.7%	Spiceland Public Library	13,442	13,889	3.3%
Dunreith Civil Town	30,315	31,077	2.5%	New Castle-Henry County Public Library	2,253,167	1,775,969	-21.2%
Greensboro Civil Town	7,894	7,715	-2.3%	Henry County Redevelopment Commission	28,160	44,962	59.7%
Kennard Civil Town	29,313	29,591	0.9%				