

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



Legislative Services Agency

August 2008

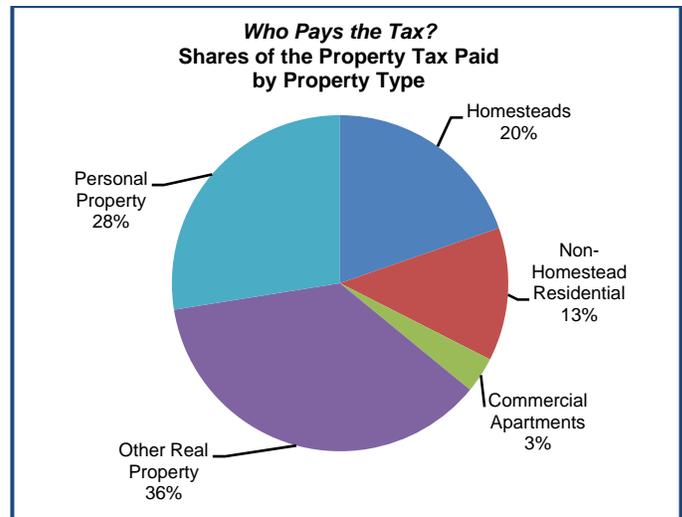
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

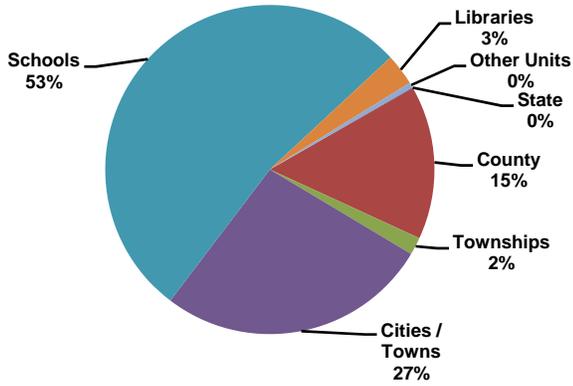
In Howard County, the average homeowner saw their tax bill decrease by 49.5% for 2008, with 95.8% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased 23.1%, and 94.8% of homeowners would have seen tax bill decreases. Howard County adopted a local option income tax for 2008, which contributed additional property tax relief.

In Howard County, 20% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 13% 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 64% 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	929	3.8%	1,026	4.2%
10% to 19%	14	0.1%	65	0.3%
1% to 9%	13	0.1%	100	0.4%
0%	82	0.3%	82	0.3%
-1% to -9%	42	0.2%	430	1.8%
-10% to -19%	82	0.3%	4,514	18.6%
-20% to -29%	283	1.2%	13,261	54.6%
-30% to -39%	1,038	4.3%	3,170	13.0%
-40% to -49%	4,427	18.2%	432	1.8%
-50% to -59%	14,797	60.9%	301	1.2%
-60% to -69%	1,425	5.9%	593	2.4%
-70% to -79%	570	2.3%	138	0.6%
-80% to -89%	433	1.8%	45	0.2%
-90% to -99%	42	0.2%	20	0.1%
-100%	130	0.5%	130	0.5%
<b>Total</b>	<b>24,307</b>	<b>100.0%</b>	<b>24,307</b>	<b>100.0%</b>
Higher Tax Bill	956	3.9%	1,191	4.9%
No Change	82	0.3%	82	0.3%
Lower Tax Bill	23,269	95.8%	23,034	94.8%
<b>Average Change in Tax Bill</b>	<b>-49.5%</b>		<b>-23.1%</b>	



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



On average, Howard County property tax levies increased 3.1% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The Kokomo city general fund and Western School Corporation debt service levies saw the largest increases.

In Howard County, school corporations receive 53% of all property taxes. The county, the city, and the towns receive most of the rest. Townships, library districts, the 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 Howard County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$129,218,594</i>	<i>\$133,188,558</i>	<i>3.1%</i>
State Unit	104,955	106,288	1.3%
Howard County	19,490,959	20,128,309	3.3%
Center Township	1,372,785	1,557,694	13.5%
Clay Township	38,381	36,329	-5.3%
Ervin Township	50,611	52,481	3.7%
Harrison Township	215,130	204,198	-5.1%
Honey Creek Township	49,643	59,671	20.2%
Howard Township	56,588	58,868	4.0%
Jackson Township	18,771	19,471	3.7%
Liberty Township	57,667	62,365	8.1%
Monroe Township	29,083	30,542	5.0%
Taylor Township	179,811	183,085	1.8%
Union Township	28,491	29,762	4.5%
Kokomo Civil City	33,564,191	35,053,250	4.4%
Greentown Civil Town	336,430	342,492	1.8%
Russiaville Civil Town	223,699	232,724	4.0%
Taylor Community School Corporation	7,737,068	7,416,341	-4.1%
Northwestern School Corporation	10,089,740	11,025,537	9.3%
Eastern Howard Community School Corporation	5,831,150	5,901,499	1.2%
Western School Corporation	9,547,677	10,665,640	11.7%
Kokomo-Center Township Consolidated School Corporation	35,590,499	35,248,041	-1.0%
Greentown Public Library	223,215	233,317	4.5%
Kokomo-Howard County Public Library	3,726,083	3,863,067	3.7%
Howard County Solid Waste Management District	655,967	677,587	3.3%