

PROPERTY TAXES IN JAY COUNTY, INDIANA, 2007-2008



Legislative Services Agency

October 2008

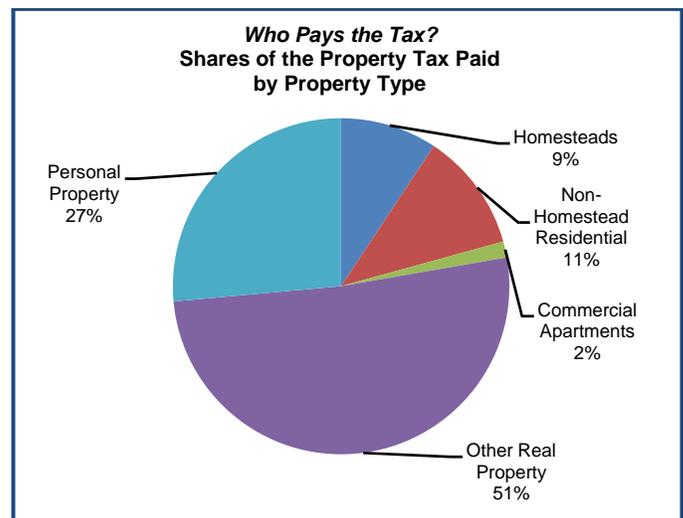
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

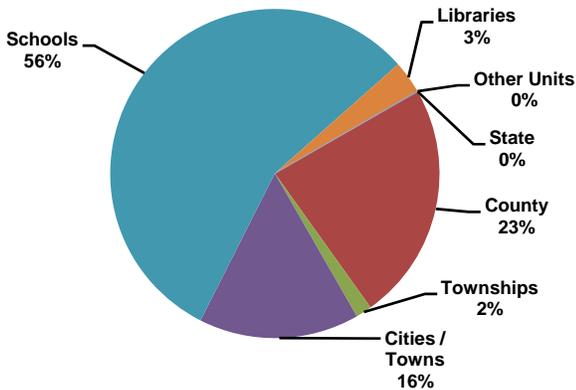
In Jay County, the average homeowner saw their tax bill decrease by 61.9% for 2008, with 97.5% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 27.5%, and 94.2% of homeowners would have seen tax bill decreases. Jay County adopted a local option income tax for 2008, which contributed additional property tax relief.

In Jay County, 9% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 11% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 2% are paid by owners of larger rental housing units (commercial apartments); and 78% 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	22	0.4%	75	1.3%
10% to 19%	5	0.1%	50	0.8%
1% to 9%	15	0.3%	116	1.9%
0%	105	1.8%	105	1.8%
-1% to -9%	21	0.4%	283	4.7%
-10% to -19%	35	0.6%	707	11.8%
-20% to -29%	76	1.3%	1,309	21.9%
-30% to -39%	246	4.1%	2,893	48.4%
-40% to -49%	600	10.0%	291	4.9%
-50% to -59%	1,062	17.8%	60	1.0%
-60% to -69%	1,426	23.8%	32	0.5%
-70% to -79%	2,264	37.9%	24	0.4%
-80% to -89%	64	1.1%	17	0.3%
-90% to -99%	26	0.4%	5	0.1%
-100%	13	0.2%	13	0.2%
Total	5,980	100.0%	5,980	100.0%
Higher Tax Bill	42	0.7%	241	4.0%
No Change	105	1.8%	105	1.8%
Lower Tax Bill	5,833	97.5%	5,634	94.2%
Average Change in Tax Bill	-61.9%		-27.5%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Jay County property tax levies increased 2.7% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The largest increases were in the Jay County School Corporation's general fund and capital projects fund levies.

In Jay County, the school corporation receives 56% of all property taxes. The county and the cities and towns receive most of the rest. Townships, library 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 Jay County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$22,518,943	\$23,128,397	2.7%
State Unit	18,135	19,824	9.3%
Jay County	5,472,298	5,405,353	-1.2%
Bearcreek Township	33,419	33,462	0.1%
Greene Township	19,781	18,843	-4.7%
Jackson Township	21,487	17,764	-17.3%
Jefferson Township	13,430	13,490	0.4%
Knox Township	10,144	10,082	-0.6%
Madison Township	15,696	16,086	2.5%
Noble Township	17,766	17,555	-1.2%
Penn Township	34,735	34,927	0.6%
Pike Township	16,159	16,289	0.8%
Richland Township	73,843	73,182	-0.9%
Wabash Township	16,100	15,971	-0.8%
Wayne Township	101,232	100,049	-1.2%
Portland Civil City	2,575,511	2,570,552	-0.2%
Dunkirk Civil City	783,451	795,776	1.6%
Bryant Civil Town	17,797	17,987	1.1%
Pennville Civil Town	69,557	70,570	1.5%
Redkey Civil Town	172,632	180,254	4.4%
Salamonia Civil Town	4,590	4,589	0.0%
Jay County School Corporation	12,289,625	12,951,701	5.4%
Dunkirk Public Library	98,179	97,284	-0.9%
Penn Township Public Library	13,555	13,586	0.2%
Jay County Public Library	629,821	633,221	0.5%