

PROPERTY TAXES IN JEFFERSON COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

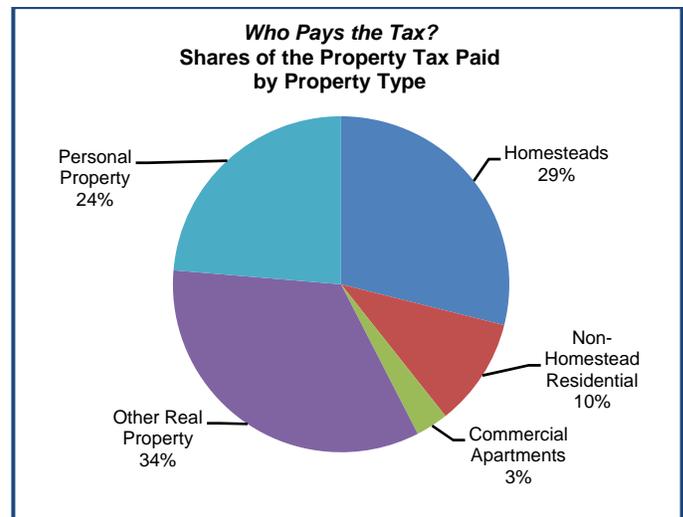
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

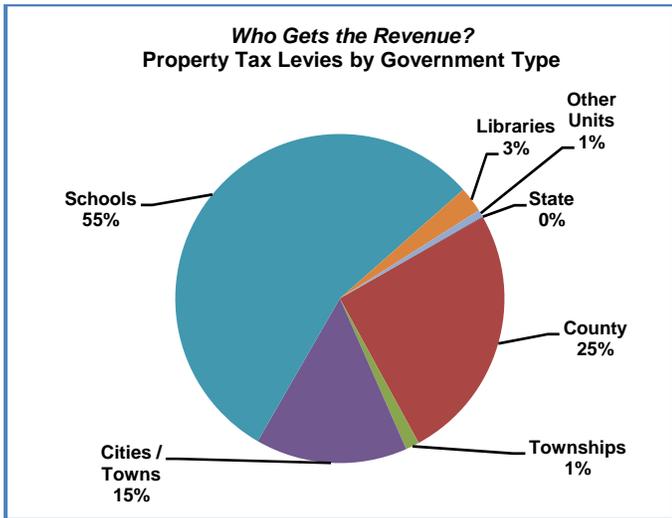
In 2008, substantial tax relief is provided through an added homestead credit. The credit will be financed with payments from the new race track casinos and from the added sales tax. Statewide, this amounts to added property tax relief of \$870 million. Homeowner taxes should fall by about one-third.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

In Jefferson County, the average homeowner saw their tax bill decrease by 33.5% for 2008, with 94.9% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 0.1%, but 60.2% of homeowners would have seen tax bill increases.

In Jefferson County, 29% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 10% 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 58% 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	267	2.8%	696	7.4%
10% to 19%	30	0.3%	549	5.8%
1% to 9%	61	0.6%	4,405	46.9%
0%	122	1.3%	126	1.3%
-1% to -9%	104	1.1%	2,085	22.2%
-10% to -19%	355	3.8%	795	8.5%
-20% to -29%	1,457	15.5%	234	2.5%
-30% to -39%	5,340	56.9%	111	1.2%
-40% to -49%	1,049	11.2%	69	0.7%
-50% to -59%	202	2.2%	104	1.1%
-60% to -69%	118	1.3%	36	0.4%
-70% to -79%	104	1.1%	22	0.2%
-80% to -89%	28	0.3%	9	0.1%
-90% to -99%	7	0.1%	3	0.0%
-100%	141	1.5%	141	1.5%
Total	9,385	100.0%	9,385	100.0%
Higher Tax Bill	358	3.8%	5,650	60.2%
No Change	122	1.3%	126	1.3%
Lower Tax Bill	8,905	94.9%	3,609	38.5%
Average Change in Tax Bill	-33.5%		-0.1%	





On average, Jefferson County property tax levies increased 3.6% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. Madison Consolidated School Corporation's general fund and capital projects fund contributed the largest increases.

In Jefferson County, school corporations receive 55% of all property taxes. The county, the city, and the towns receive most of the rest. Townships, the library district, 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 Jefferson County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$35,678,609</i>	<i>\$36,952,691</i>	<i>3.6%</i>
State Unit	30,890	32,108	3.9%
Jefferson County	9,700,756	9,347,320	-3.6%
Graham Township	16,958	18,579	9.6%
Hanover Township	47,735	59,920	25.5%
Lancaster Township	25,638	27,032	5.4%
Madison Township	189,689	237,472	25.2%
Milton Township	14,375	15,570	8.3%
Monroe Township	14,632	14,986	2.4%
Republican Township	33,971	36,170	6.5%
Saluda Township	33,004	36,008	9.1%
Shelby Township	21,831	23,323	6.8%
Smyrna Township	29,493	30,598	3.7%
Madison Civil City	5,072,143	5,330,732	5.1%
Brooksburg Civil Town	2,147	2,226	3.7%
Hanover Civil Town	166,329	178,697	7.4%
Madison Consolidated School Corporation	14,980,483	16,014,612	6.9%
Southwestern Jefferson Consolidated School Corporation	4,139,737	4,373,020	5.6%
Jefferson County Public Library	906,107	923,093	1.9%
Southeastern Indiana Solid Waste Management District	137,718	143,146	3.9%
Madison City Redevelopment Commission	114,973	108,079	-6.0%