

PROPERTY TAXES IN KNOX COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

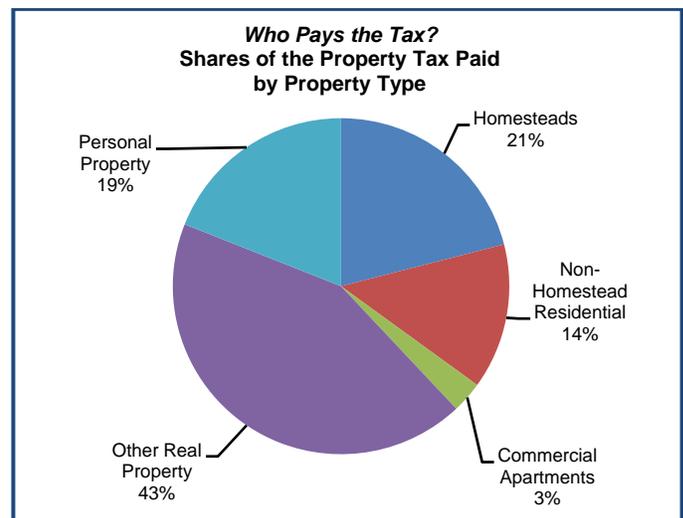
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

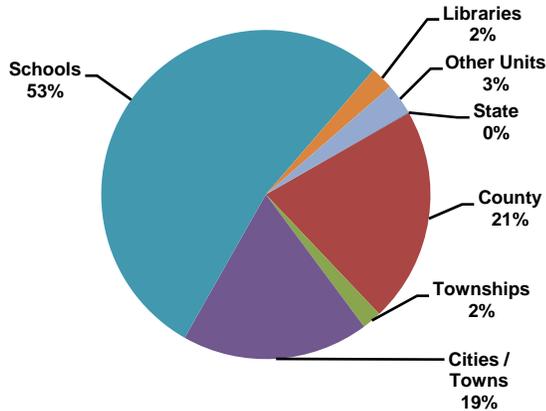
In Knox County, the average homeowner saw their tax bill decrease by 37.4% for 2008, with 93.1% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 2.2%, and 49.6% of homeowners would have seen tax bill increases.

In Knox County, 21% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 14% 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 62% 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	404	3.8%	1,117	10.5%
10% to 19%	77	0.7%	1,162	11.0%
1% to 9%	66	0.6%	2,976	28.1%
0%	176	1.7%	182	1.7%
-1% to -9%	149	1.4%	4,099	38.7%
-10% to -19%	391	3.7%	357	3.4%
-20% to -29%	985	9.3%	78	0.7%
-30% to -39%	2,571	24.3%	71	0.7%
-40% to -49%	4,816	45.5%	78	0.7%
-50% to -59%	380	3.6%	119	1.1%
-60% to -69%	112	1.1%	107	1.0%
-70% to -79%	185	1.7%	21	0.2%
-80% to -89%	59	0.6%	9	0.1%
-90% to -99%	17	0.2%	12	0.1%
-100%	201	1.9%	201	1.9%
Total	10,589	100.0%	10,589	100.0%
Higher Tax Bill	547	5.2%	5,255	49.6%
No Change	176	1.7%	182	1.7%
Lower Tax Bill	9,866	93.1%	5,152	48.7%
Average Change in Tax Bill	-37.4%		2.2%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Knox County property tax levies increased 2.0% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. North Knox and South Knox School Corporations contributed the largest levy increases, due to increases in taxes for debt service.

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

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$40,080,699</i>	<i>\$40,885,681</i>	<i>2.0%</i>
State Unit	30,172	33,192	10.0%
Knox County	8,781,290	8,656,288	-1.4%
Busseron Township	53,322	53,410	0.2%
Decker Township	32,865	33,110	0.7%
Harrison Township	93,671	97,352	3.9%
Johnson Township	27,875	27,875	0.0%
Palmyra Township	95,888	93,021	-3.0%
Steen Township	51,568	52,975	2.7%
Vigo Township	63,032	63,900	1.4%
Vincennes Township	208,453	208,775	0.2%
Washington Township	111,829	111,582	-0.2%
Widner Township	40,279	41,263	2.4%
Vincennes Civil City	6,979,349	6,614,712	-5.2%
Bicknell Civil City	679,559	684,496	0.7%
Bruceville Civil Town	56,420	55,441	-1.7%
Decker Civil Town	12,342	9,256	-25.0%
Edwardsport Civil Town	21,992	19,671	-10.6%
Monroe City Civil Town	16,875	16,074	-4.7%
Oaktown Civil Town	34,600	36,473	5.4%
Sandborn Civil Town	36,793	38,893	5.7%
Wheatland Civil Town	34,872	33,461	-4.0%
North Knox School Corporation	4,674,463	5,281,333	13.0%
South Knox School Corporation	5,918,573	6,592,683	11.4%
Vincennes Community School Corporation	9,796,578	9,852,480	0.6%
Bicknell Public Library	96,137	101,159	5.2%
Knox County Public Library	1,032,243	830,212	-19.6%
Vincennes Township Fire	845,338	963,536	14.0%
South Vigo Township Fire	67,282	70,397	4.6%
Vigo Central Community Fire	48,588	49,553	2.0%
Johnson Township Community Fire	138,451	163,108	17.8%