

PROPERTY TAXES IN LAWRENCE COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

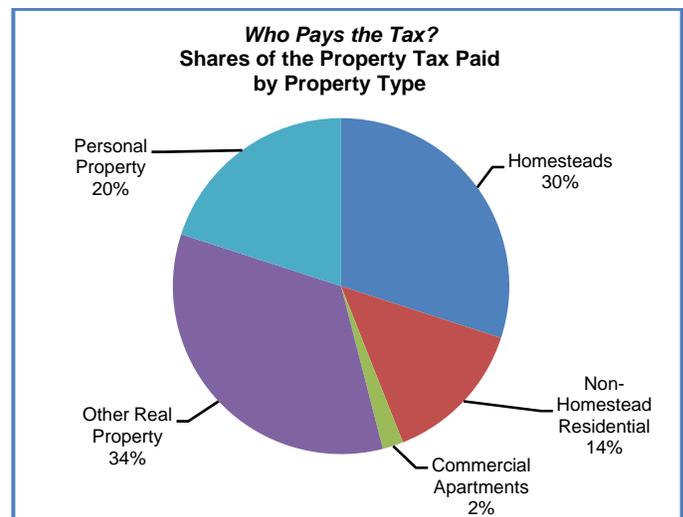
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

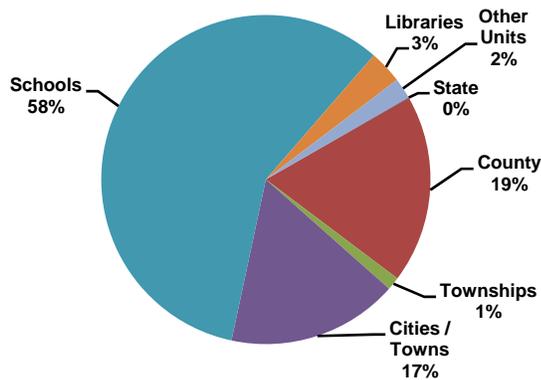
In Lawrence County, the average homeowner saw their tax bill decrease by 17.1% for 2008, with 91.7% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 21.4%, and 94.3% of homeowners would have seen tax bill increases.

In Lawrence County, 30% 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); 2% are paid by owners of larger rental housing units (commercial apartments); and 54% 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	617	4.6%	7,589	57.0%
10% to 19%	107	0.8%	3,516	26.4%
1% to 9%	284	2.1%	1,457	10.9%
0%	96	0.7%	95	0.7%
-1% to -9%	1,010	7.6%	64	0.5%
-10% to -19%	4,980	37.4%	62	0.5%
-20% to -29%	5,209	39.1%	58	0.4%
-30% to -39%	425	3.2%	81	0.6%
-40% to -49%	92	0.7%	143	1.1%
-50% to -59%	109	0.8%	103	0.8%
-60% to -69%	173	1.3%	27	0.2%
-70% to -79%	95	0.7%	14	0.1%
-80% to -89%	18	0.1%	9	0.1%
-90% to -99%	15	0.1%	12	0.1%
-100%	94	0.7%	94	0.7%
Total	13,324	100.0%	13,324	100.0%
Higher Tax Bill	1,008	7.6%	12,562	94.3%
No Change	96	0.7%	95	0.7%
Lower Tax Bill	12,220	91.7%	667	5.0%
Average Change in Tax Bill	-17.1%		21.4%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Lawrence County property tax levies increased 16.7% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. North Lawrence School Corporation was responsible for the largest levy increase, due to increases in taxes for debt service.

In Lawrence County, school corporations receive 58% of all property taxes. The county, the cities, and the town 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 Lawrence County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$41,986,026</i>	<i>\$49,006,526</i>	<i>16.7%</i>
State Unit	33,619	35,398	5.3%
Lawrence County	8,268,878	9,078,239	9.8%
Bono Township	13,293	14,913	12.2%
Guthrie Township	23,911	24,199	1.2%
Indian Creek Township	23,314	25,208	8.1%
Marion Township	161,134	163,119	1.2%
Marshall Township	62,403	66,879	7.2%
Perry Township	25,935	29,670	14.4%
Pleasant Run Township	25,233	27,834	10.3%
Shawswick Township	228,728	247,381	8.2%
Spice Valley Township	27,578	31,040	12.6%
Bedford Civil City	6,666,346	7,049,052	5.7%
Mitchell Civil City	893,067	1,072,681	20.1%
Oolitic Civil Town	104,414	110,555	5.9%
North Lawrence Community School Corporation	16,509,370	21,294,497	29.0%
Mitchell Community School Corporation	6,533,243	7,147,613	9.4%
Bedford Public Library	914,947	1,211,350	32.4%
Mitchell Community Public Library	370,991	382,790	3.2%
Lawrence County Solid Waste Management District	1,099,622	994,108	-9.6%