

PROPERTY TAXES IN MARION COUNTY, INDIANA, 2007-2008



Legislative Services Agency

November 2009

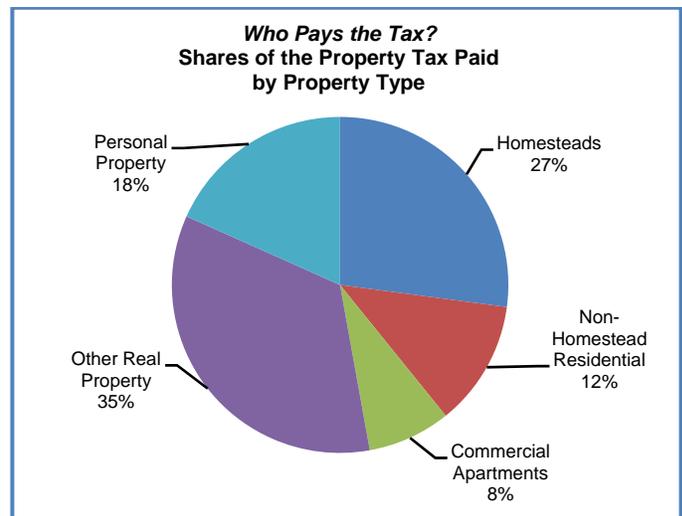
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over 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. Marion County adopted a new local option income tax for 2008 to freeze controlled levies.

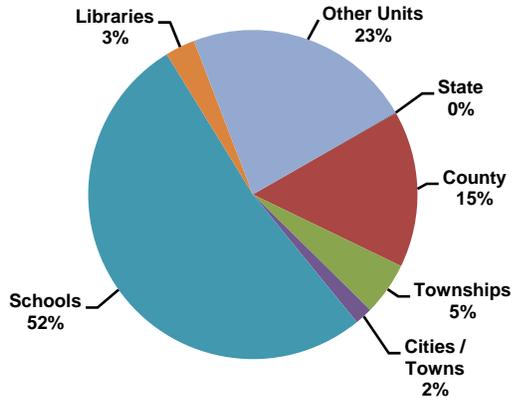
In Marion County, the average homeowner saw their tax bill decrease by 34.7% for 2008, with 98.9% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 2.0%, and 70.6% of homeowners would have seen tax bill decreases.

In Marion County, 27% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 12% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 8% are paid by owners of larger rental housing units (commercial apartments); and 53% 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	499	0.2%	11,907	5.7%
10% to 19%	292	0.1%	8,082	3.9%
1% to 9%	1,134	0.5%	41,037	19.6%
0%	398	0.2%	422	0.2%
-1% to -9%	7,218	3.4%	124,175	59.3%
-10% to -19%	7,010	3.3%	16,367	7.8%
-20% to -29%	19,163	9.2%	3,729	1.8%
-30% to -39%	110,451	52.8%	1,425	0.7%
-40% to -49%	57,536	27.5%	787	0.4%
-50% to -59%	3,297	1.6%	418	0.2%
-60% to -69%	1,121	0.5%	225	0.1%
-70% to -79%	445	0.2%	165	0.1%
-80% to -89%	226	0.1%	102	0.0%
-90% to -99%	135	0.1%	84	0.0%
-100%	422	0.2%	422	0.2%
Total	209,347	100.0%	209,347	100.0%
Higher Tax Bill	1,925	0.9%	61,026	29.2%
No Change	398	0.2%	422	0.2%
Lower Tax Bill	207,024	98.9%	147,899	70.6%
Average Change in Tax Bill	-34.7%		-2.0%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Marion County property tax levies decreased 4.1% from 2007 to 2008. Statewide, levies increased by about 5%. The consolidated city and county levies showed large decreases, mainly due to the elimination of a county welfare bond and the reduction of city debt service levies. Indianapolis Public Schools saw a reduction in its general fund and debt service levies. Franklin Township and Decatur Township Schools saw an increase in their debt service levies.

In Marion County, 52% of all property taxes are received by the school corporations. The county and the special districts that comprise much of the consolidated budget receive most of the rest. Townships, library districts, and the state collect 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 Lake County

Taxing Unit	2007			2008			Taxing Unit	2007			2008		
	Levy	Levy	Change	Levy	Levy	Change		Levy	Levy	Change	Levy	Levy	Change
County Total	\$1,433,394,320	\$1,374,759,213	-4.1%										
State Unit	1,073,961	1,048,912	-2.3%	Franklin Township Community School Corporation	41,647,949	47,727,918	14.6%						
Marion County	250,904,247	211,836,565	-15.6%	M.S.D. Lawrence Township School Corporation	82,575,664	83,705,634	1.4%						
Center Township	2,823,133	2,828,253	0.2%	M.S.D. Perry Township School Corporation	60,791,252	63,688,931	4.8%						
Decatur Township	6,910,246	4,900,082	-29.1%	M.S.D. Pike Township School Corporation	87,044,287	84,744,718	-2.6%						
Franklin Township	9,071,433	8,706,932	-4.0%	M.S.D. Warren Township School Corporation	61,940,445	58,474,571	-5.6%						
Lawrence Township	9,677,639	10,730,568	10.9%	M.S.D. Washington Township School Corporation	74,853,920	76,368,711	2.0%						
Perry Township	9,873,509	10,801,634	9.4%	M.S.D. Wayne Township School Corporation	64,372,354	63,778,734	-0.9%						
Pike Township	14,318,364	14,214,208	-0.7%	Beech Grove City School Corporation	9,547,450	8,943,330	-6.3%						
Warren Township	10,516,282	279,051	-97.3%	Indianapolis Public School Corporation	211,555,492	193,950,149	-8.3%						
Washington Township	655,840	705,127	7.5%	Speedway City School Corporation	7,933,541	7,372,737	-7.1%						
Wayne Township	19,716,385	18,685,929	-5.2%	Beech Grove Public Library	1,079,585	1,048,508	-2.9%						
Lawrence Civil City	10,322,725	10,671,074	3.4%	Speedway City Public Library	763,470	759,859	-0.5%						
Beech Grove Civil City	5,648,402	5,428,951	-3.9%	Indianapolis-Marion County Public Library	38,932,720	38,426,227	-1.3%						
Southport Civil City	189,677	188,231	-0.8%	Indianapolis Sanitation (Solid)	25,848,863	25,833,912	-0.1%						
Speedway City Civil Town	5,835,089	6,088,745	4.3%	Indianapolis Police Special Service	43,319,872	43,315,248	0.0%						
Clermont Civil Town	480,321	478,661	-0.3%	Indianapolis Fire Special Service	47,193,938	56,126,111	18.9%						
Cumberland Civil Town	783,266	793,044	1.2%	Indianapolis Public Transportation	21,220,606	20,769,503	-2.1%						
Homecroft Civil Town	81,406	83,571	2.7%	Marion County Health And Hospital	90,481,254	92,391,685	2.1%						
Meridian Hills Civil Town	178,210	166,880	-6.4%	Speedway Public Transportation	195,594	236,386	20.9%						
Rocky Ripple Civil Town	25,867	25,854	-0.1%	Indianapolis Consolidated City	23,146,309	15,582,800	-32.7%						
Warren Park Civil Town	5,517	4,657	-15.6%	Indianapolis Consolidated County	52,713,609	48,075,144	-8.8%						
Williams Creek Civil Town	74,919	74,895	0.0%	Lawrence City Redevelopment Commission	0	444,905							
Wynnedale Civil Town	11,070	10,759	-2.8%	Redevelopment Commission Of Indianapolis	4,841,874	6,482,408	33.9%						
M.S.D. Decatur Township School Corporation	22,216,764	27,758,501	24.9%										