

PROPERTY TAXES IN MONTGOMERY COUNTY, INDIANA, 2007-2008



Legislative Services Agency

October 2008

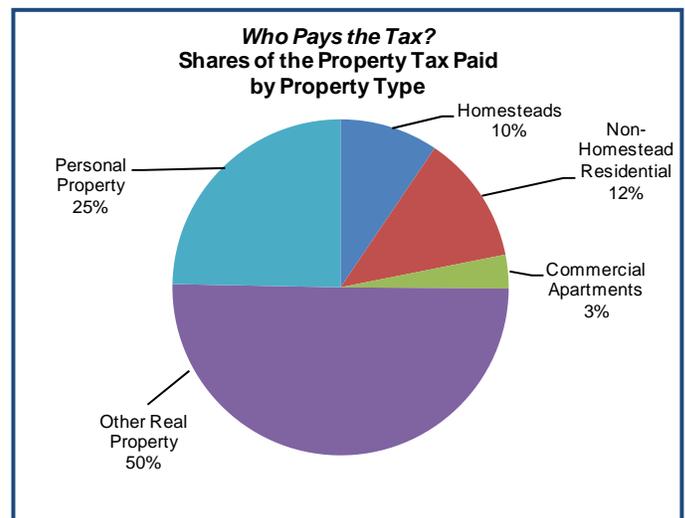
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

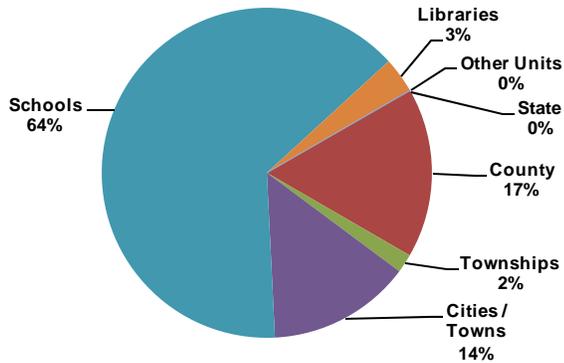
In Montgomery County, the average homeowner saw their tax bill decrease by 75.2% for 2008, with 99.6% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 51.1%, and 99.4% of homeowners still would have seen tax bill decreases. Montgomery County adopted a local option income tax for 2008, which contributed additional property tax relief.

In Montgomery County, 10% 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); 3% are paid by owners of larger rental housing units (commercial apartments); and 75% 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	11	0.1%	20	0.2%
10% to 19%	1	0.0%	6	0.1%
1% to 9%	1	0.0%	9	0.1%
0%	33	0.3%	33	0.3%
-1% to -9%	7	0.1%	31	0.3%
-10% to -19%	15	0.1%	48	0.5%
-20% to -29%	25	0.2%	141	1.4%
-30% to -39%	58	0.6%	576	5.7%
-40% to -49%	124	1.2%	3,008	29.6%
-50% to -59%	380	3.7%	5,224	51.5%
-60% to -69%	1,138	11.2%	887	8.7%
-70% to -79%	5,322	52.5%	116	1.1%
-80% to -89%	2,969	29.3%	25	0.2%
-90% to -99%	53	0.5%	13	0.1%
-100%	9	0.1%	9	0.1%
Total	10,146	100.0%	10,146	100.0%
Higher Tax Bill	13	0.1%	35	0.3%
No Change	33	0.3%	33	0.3%
Lower Tax Bill	10,100	99.6%	10,078	99.4%
Average Change in Tax Bill	-75.2%		-51.1%	



**Who Gets the Revenue?
Property Tax Levies by Government Type**



On average, Montgomery County property tax levies decreased 1.4% from 2007 to 2008. This is less than the expected statewide average increase of 5%. The largest levy decreases were for the county jail lease rental fund, the county welfare funds, and the North Montgomery School Corporation's debt service fund.

In Montgomery County, school corporations receive 64% of all property taxes. The county, city, and towns 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 Montgomery County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$57,753,226	\$56,939,232	-1.4%
State Unit	44,481	47,454	6.7%
Montgomery County	10,204,579	9,453,161	-7.4%
Brown Township	44,947	46,206	2.8%
Clark Township	31,148	31,982	2.7%
Coal Creek Township	125,634	91,822	-26.9%
Franklin Township	29,722	31,442	5.8%
Madison Township	130,154	131,681	1.2%
Ripley Township	62,548	51,737	-17.3%
Scott Township	30,975	31,692	2.3%
Sugar Creek Township	17,609	18,069	2.6%
Union Township	488,792	500,364	2.4%
Walnut Township	34,180	35,085	2.6%
Wayne Township	86,055	69,351	-19.4%
Crawfordsville Civil City	7,188,139	7,441,264	3.5%
Alamo Civil Town	4,889	5,045	3.2%
Darlington Civil Town	69,789	72,224	3.5%
Ladoga Civil Town	109,399	112,874	3.2%
Linden Civil Town	74,328	72,711	-2.2%
New Market Civil Town	47,030	49,942	6.2%
Waveland Civil Town	26,141	27,791	6.3%
Waynetown Civil Town	69,066	71,369	3.3%
Wingate Civil Town	59,791	53,288	-10.9%
New Richmond Civil Town	57,159	58,523	2.4%
New Ross Civil Town	27,855	28,474	2.2%
North Montgomery Community School Corporation	12,517,144	11,442,464	-8.6%
South Montgomery Community School Corporation	12,160,451	12,290,008	1.1%
Crawfordsville Community School Corporation	12,223,252	12,699,664	3.9%
Crawfordsville Public Library	1,461,759	1,682,119	15.1%
Darlington Public Library	52,250	54,179	3.7%
Ladoga Public Library	40,454	41,797	3.3%
Linden Public Library	175,249	133,168	-24.0%
Waveland Public Library	58,257	62,282	6.9%