

PROPERTY TAXES IN NEWTON COUNTY, INDIANA, 2007-2008



Legislative Services Agency

September 2008

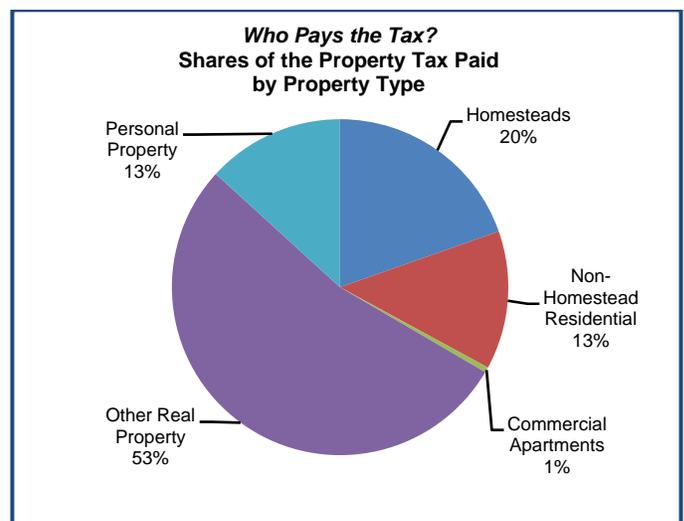
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

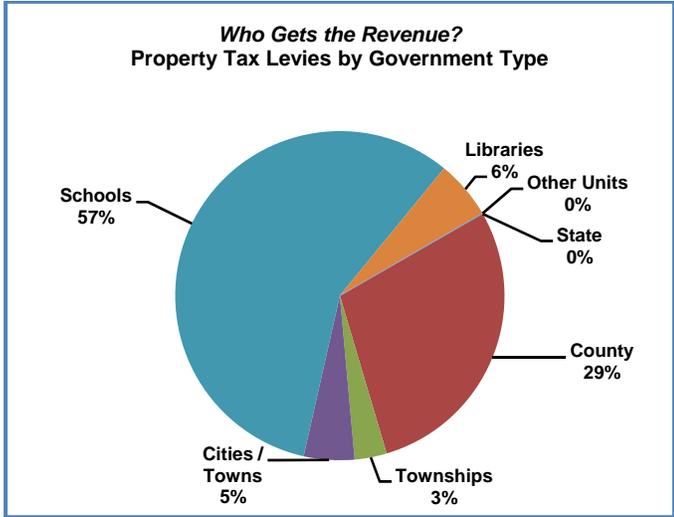
In 2008, substantial tax relief is provided through an added homestead credit. The credit will be financed with payments from the new race track casinos and from the added sales tax. Statewide, this amounts to added property tax relief of \$870 million. Homeowner taxes should fall by about one-third.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

In Newton County, the average homeowner saw their tax bill decrease by 34.8% for 2008, with 97.7% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 6.9%, and 75.9% of homeowners would have seen tax bill increases.

In Newton County, 20% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 13% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 1% are paid by owners of larger rental housing units (commercial apartments); and 66% 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	22	0.6%	702	18.1%
10% to 19%	5	0.1%	1,020	26.2%
1% to 9%	28	0.7%	1,228	31.6%
0%	34	0.9%	34	0.9%
-1% to -9%	80	2.1%	435	11.2%
-10% to -19%	239	6.1%	229	5.9%
-20% to -29%	793	20.4%	112	2.9%
-30% to -39%	1,516	39.0%	67	1.7%
-40% to -49%	858	22.1%	23	0.6%
-50% to -59%	205	5.3%	20	0.5%
-60% to -69%	74	1.9%	4	0.1%
-70% to -79%	22	0.6%	4	0.1%
-80% to -89%	2	0.1%	1	0.0%
-90% to -99%	2	0.1%	1	0.0%
-100%	7	0.2%	7	0.2%
Total	3,887	100.0%	3,887	100.0%
Higher Tax Bill	55	1.4%	2,950	75.9%
No Change	34	0.9%	34	0.9%
Lower Tax Bill	3,798	97.7%	903	23.2%
Average Change in Tax Bill	-34.8%		6.9%	





On average, Newton County property tax levies increased 8.3% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The largest increases were in the county welfare levies, North Newton School Corporation general fund and bus replacement fund, and South Newton School Corporation debt service fund.

In Newton County, school corporations receive 57% of all property taxes. The county receives most of the rest. Towns, townships, library 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 Newton County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$19,331,737</i>	<i>\$20,934,753</i>	<i>8.3%</i>
State Unit	17,211	18,889	9.7%
Newton County	5,281,127	6,000,421	13.6%
Beaver Township	139,889	142,745	2.0%
Colfax Township	7,131	7,072	-0.8%
Grant Township	33,013	33,897	2.7%
Iroquois Township	34,613	35,375	2.2%
Jackson Township	16,829	17,213	2.3%
Jefferson Township	57,306	59,018	3.0%
Lake Township	169,803	173,820	2.4%
Lincoln Township	135,385	139,040	2.7%
Mcclellan Township	20,644	21,899	6.1%
Washington Township	29,263	30,169	3.1%
Brook Civil Town	202,225	205,075	1.4%
Goodland Civil Town	230,754	233,995	1.4%
Kentland Civil Town	391,990	396,683	1.2%
Morocco Civil Town	189,124	191,926	1.5%
Mt. Ayr Civil Town	10,617	10,749	1.2%
North Newton School Corporation	6,279,598	6,737,471	7.3%
South Newton School Corporation	4,940,561	5,276,457	6.8%
Brook Public Library	186,072	190,778	2.5%
Goodland Public Library	81,668	83,285	2.0%
Kentland Public Library	128,307	130,029	1.3%
Newton County Public Library	748,607	798,747	6.7%