

# PROPERTY TAXES IN OHIO COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

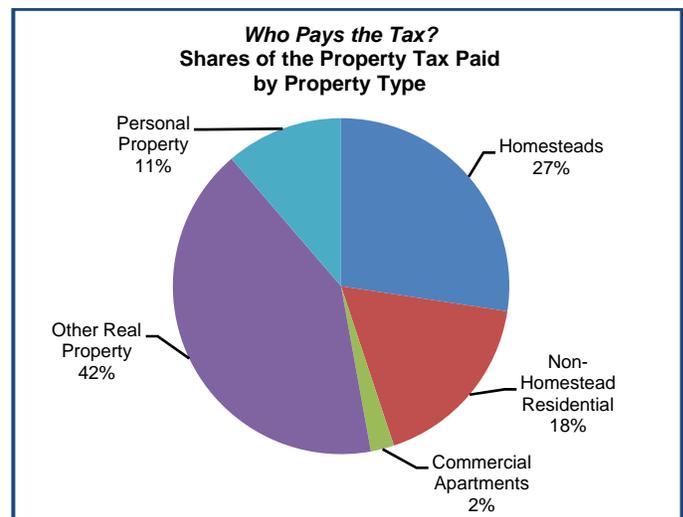
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

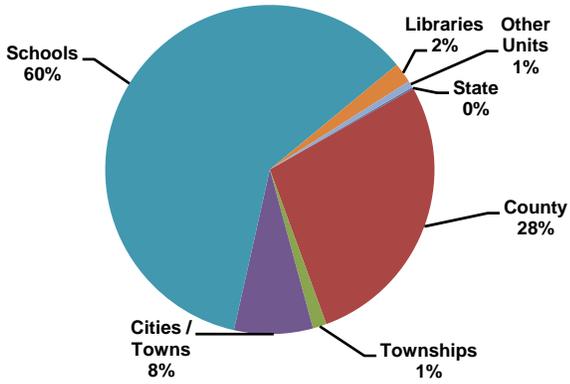
In Ohio County, the average homeowner saw their tax bill decrease by 48.6% for 2008, with 96.7% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 1.7%, but 42.5% of homeowners would have seen tax bill increases.

In Ohio County, 27% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 18% 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 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	43	2.5%	88	5.1%
10% to 19%	6	0.3%	82	4.7%
1% to 9%	4	0.2%	566	32.7%
0%	4	0.2%	5	0.3%
-1% to -9%	12	0.7%	810	46.7%
-10% to -19%	23	1.3%	105	6.1%
-20% to -29%	55	3.2%	28	1.6%
-30% to -39%	155	8.9%	14	0.8%
-40% to -49%	400	23.1%	14	0.8%
-50% to -59%	894	51.6%	10	0.6%
-60% to -69%	104	6.0%	3	0.2%
-70% to -79%	21	1.2%	0	0.0%
-80% to -89%	4	0.2%	0	0.0%
-90% to -99%	0	0.0%	0	0.0%
-100%	8	0.5%	8	0.5%
<b>Total</b>	<b>1,733</b>	<b>100.0%</b>	<b>1,733</b>	<b>100.0%</b>
Higher Tax Bill	53	3.1%	736	42.5%
No Change	4	0.2%	5	0.3%
Lower Tax Bill	1,676	96.7%	992	57.2%
<b>Average Change in Tax Bill</b>	<b>-48.6%</b>		<b>-1.7%</b>	



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



On average, Ohio County property tax levies increased 2.7% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The Rising Sun-Ohio County School Corporation general fund levy saw the largest increase.

In Ohio County, school corporations receive 60% of all property taxes. The county and city receive most of the rest. Townships, the library district, the solid waste management district, 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 Ohio County**

<b>Taxing Unit</b>	<b>2007 Levy</b>	<b>2008 Levy</b>	<b>Change</b>
<i>County Total</i>	<i>\$4,486,839</i>	<i>\$4,609,901</i>	<i>2.7%</i>
State Unit	6,932	7,296	5.3%
Ohio County	1,282,177	1,272,178	-0.8%
Cass Township	12,237	12,629	3.2%
Pike Township	11,115	11,827	6.4%
Randolph Township	31,333	32,925	5.1%
Union Township	4,621	4,950	7.1%
Rising Sun Civil City	339,240	356,222	5.0%
Rising Sun-Ohio County Community School	2,682,491	2,789,368	4.0%
Ohio County Public Library	86,942	91,500	5.2%
Southeastern Indiana Solid Waste Management District	29,751	31,006	4.2%