

PROPERTY TAXES IN ORANGE COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

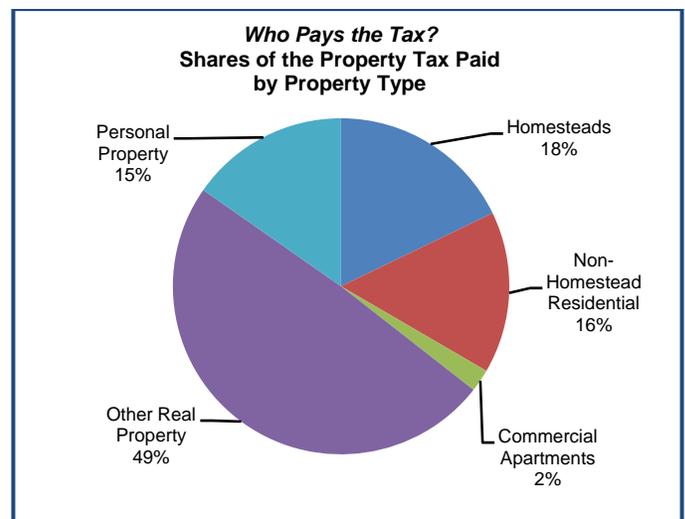
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

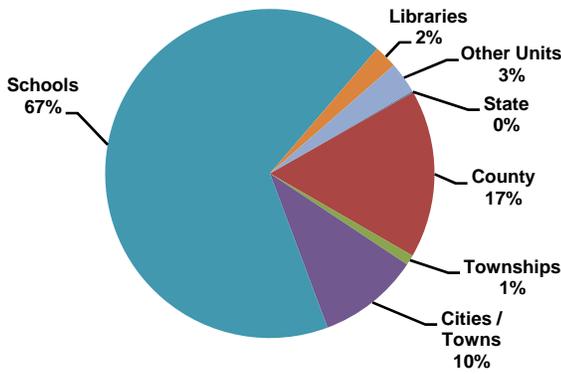
In Orange County, the average homeowner saw their tax bill decrease by 40.0% for 2008, with 94.0% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 3.7%, but only 73.2% of homeowners would have seen tax bill decreases.

In Orange County, 18% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 16% 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 64% 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	179	3.1%	313	5.4%
10% to 19%	16	0.3%	102	1.8%
1% to 9%	25	0.4%	1,006	17.4%
0%	125	2.2%	126	2.2%
-1% to -9%	61	1.1%	2,718	47.1%
-10% to -19%	140	2.4%	1,083	18.8%
-20% to -29%	353	6.1%	81	1.4%
-30% to -39%	921	16.0%	50	0.9%
-40% to -49%	3,104	53.8%	56	1.0%
-50% to -59%	535	9.3%	75	1.3%
-60% to -69%	80	1.4%	67	1.2%
-70% to -79%	115	2.0%	17	0.3%
-80% to -89%	43	0.7%	7	0.1%
-90% to -99%	12	0.2%	8	0.1%
-100%	63	1.1%	63	1.1%
Total	5,772	100.0%	5,772	100.0%
Higher Tax Bill	220	3.8%	1,421	24.6%
No Change	125	2.2%	126	2.2%
Lower Tax Bill	5,427	94.0%	4,225	73.2%
Average Change in Tax Bill	-40.0%		-3.7%	



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



On average, Orange County property tax levies increased 2.4% from 2007 to 2008. This is lower than the expected statewide average increase of 5%.

In Orange County, school corporations receive 67% of all property taxes. The county and the towns receive most of the rest. Townships, library districts, special 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 Orange County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$13,438,174	\$13,756,612	2.4%
State Unit	15,219	16,917	11.2%
Orange County	2,192,142	2,274,727	3.8%
French Lick Township	24,150	24,925	3.2%
Greenfield Township	10,690	11,101	3.8%
Jackson Township	9,625	9,965	3.5%
Northeast Township	3,452	9,605	178.2%
Northwest Township	10,485	11,043	5.3%
Orangeville Township	6,241	6,755	8.2%
Orleans Township	6,390	6,445	0.9%
Paoli Township	40,682	41,249	1.4%
Southeast Township	7,108	7,525	5.9%
Stamperscreek Township	4,420	9,111	106.1%
French Lick Civil Town	449,028	457,810	2.0%
Orleans Civil Town	290,040	324,199	11.8%
Paoli Civil Town	412,465	417,316	1.2%
West Baden Civil Town	194,459	173,931	-10.6%
Orleans Community School Corporation	2,303,338	2,467,664	7.1%
Paoli Community School Corporation	3,500,507	3,499,205	0.0%
Springs Valley Community School Corporation	3,208,268	3,247,217	1.2%
Orleans Public Library	45,287	49,466	9.2%
Paoli Public Library	54,980	56,833	3.4%
French Lick-Melton Public Library	250,568	206,860	-17.4%
Orange County Fire Protection District	190,640	215,272	12.9%
Orange County Solid Waste Management District	207,990	211,471	1.7%