

PROPERTY TAXES IN PIKE COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

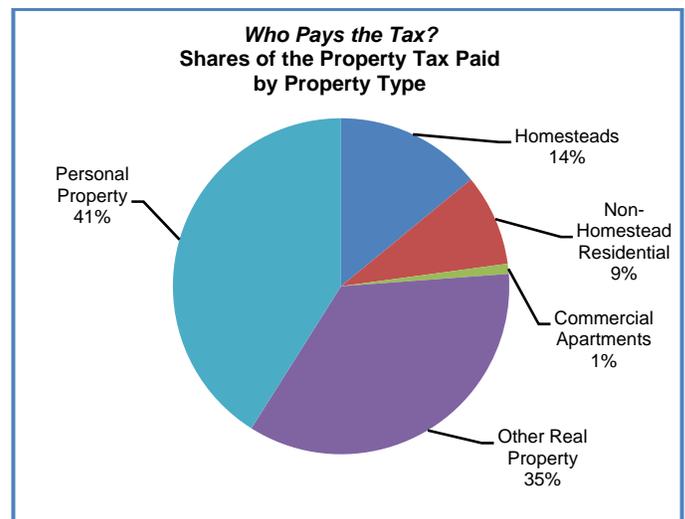
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

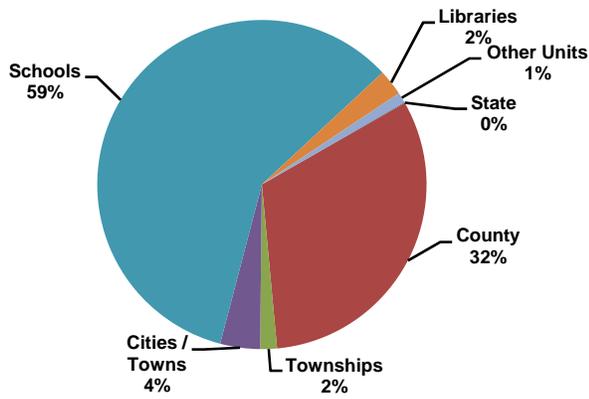
In Pike County, the average homeowner saw their tax bill decrease by 40.2% for 2008, with 96.1% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 3.4%, and only 86.9% of homeowners would have seen tax bill decreases.

In Pike County, 14% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 9% 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 76% 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	93	2.4%	160	4.1%
10% to 19%	6	0.2%	50	1.3%
1% to 9%	13	0.3%	263	6.7%
0%	39	1.0%	40	1.0%
-1% to -9%	24	0.6%	3,065	78.5%
-10% to -19%	88	2.3%	95	2.4%
-20% to -29%	260	6.7%	32	0.8%
-30% to -39%	757	19.4%	28	0.7%
-40% to -49%	2,329	59.7%	29	0.7%
-50% to -59%	107	2.7%	56	1.4%
-60% to -69%	46	1.2%	33	0.8%
-70% to -79%	82	2.1%	14	0.4%
-80% to -89%	24	0.6%	6	0.2%
-90% to -99%	7	0.2%	4	0.1%
-100%	28	0.7%	28	0.7%
Total	3,903	100.0%	3,903	100.0%
Higher Tax Bill	112	2.9%	473	12.1%
No Change	39	1.0%	40	1.0%
Lower Tax Bill	3,752	96.1%	3,390	86.9%
Average Change in Tax Bill	-40.2%		-3.4%	



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



On average, Pike County property tax levies decreased 1.7% from 2007 to 2008. This is lower than the expected statewide average increase of 5%.

In Pike County, the school corporation receives 59% of all property taxes. The county receives most of the rest. The city, towns, townships, library district, fire 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 Pike County**

Taxing Unit	2007 Levy	2008 Levy	Change
County Total	\$18,045,448	\$17,730,171	-1.7%
State Unit	14,457	15,420	6.7%
Pike County	6,011,280	5,633,028	-6.3%
Clay Township	13,503	14,464	7.1%
Jefferson Township	27,406	28,442	3.8%
Lockhart Township	29,478	30,643	4.0%
Logan Township	11,327	12,344	9.0%
Madison Township	14,699	15,516	5.6%
Marion Township	10,762	11,048	2.7%
Monroe Township	32,294	33,898	5.0%
Patoka Township	28,262	29,365	3.9%
Washington Township	112,020	115,535	3.1%
Petersburg Civil City	522,615	538,498	3.0%
Spurgeon Civil Town	13,712	13,203	-3.7%
Winslow Civil Town	138,794	142,414	2.6%
Pike County School Corporation	10,451,518	10,461,610	0.1%
Pike County Public Library	439,144	453,623	3.3%
Patoka Township Fire	105,581	110,168	4.3%
Jefferson-Marion Township Fire	68,596	70,952	3.4%