

PROPERTY TAXES IN POSEY COUNTY, INDIANA, 2007-2008



Legislative Services Agency

March 2009

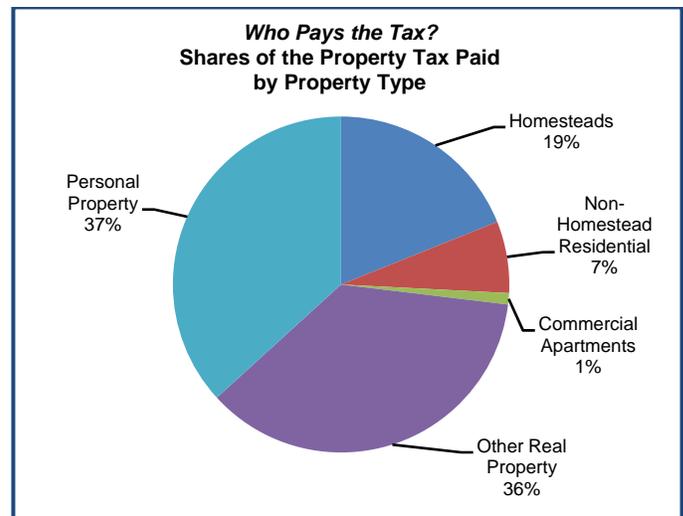
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

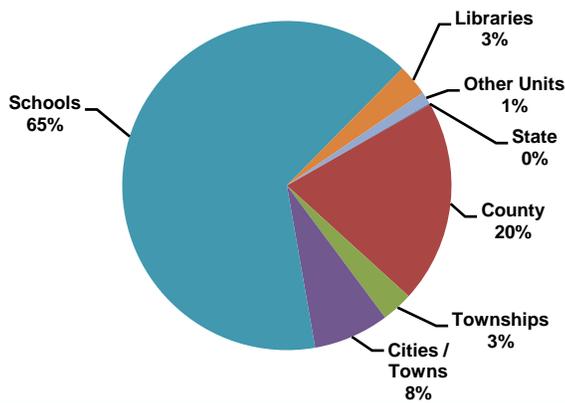
In Posey County, the average homeowner saw their tax bill decrease by 25.5% for 2008, with 92.6% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 9.6%, and 66.7% of homeowners would have seen tax bill increases.

In Posey County, 19% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 7% 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 73% 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	167	2.1%	2,364	30.1%
10% to 19%	67	0.9%	1,522	19.4%
1% to 9%	259	3.3%	1,353	17.2%
0%	90	1.1%	92	1.2%
-1% to -9%	748	9.5%	1,620	20.6%
-10% to -19%	1,583	20.2%	537	6.8%
-20% to -29%	1,762	22.4%	199	2.5%
-30% to -39%	2,330	29.7%	69	0.9%
-40% to -49%	606	7.7%	38	0.5%
-50% to -59%	146	1.9%	28	0.4%
-60% to -69%	54	0.7%	4	0.1%
-70% to -79%	15	0.2%	6	0.1%
-80% to -89%	7	0.1%	2	0.0%
-90% to -99%	3	0.0%	3	0.0%
-100%	13	0.2%	13	0.2%
Total	7,850	100.0%	7,850	100.0%
Higher Tax Bill	493	6.3%	5,239	66.7%
No Change	90	1.1%	92	1.2%
Lower Tax Bill	7,267	92.6%	2,519	32.1%
Average Change in Tax Bill	-25.5%		9.6%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Posey County property tax levies increased 3.1% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The largest increases were in the county welfare funds and the M.S.D. North Posey County School Corporation general fund.

In Posey County, school corporations receive 65% of all property taxes. The county, city, and 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 Posey County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$45,158,723</i>	<i>\$46,568,429</i>	<i>3.1%</i>
State Unit	41,910	47,691	13.8%
Posey County	8,640,550	9,301,814	7.7%
Bethel Township	13,797	14,301	3.7%
Black Township	779,071	794,313	2.0%
Center Township	15,329	15,911	3.8%
Harmony Township	41,501	46,247	11.4%
Lynn Township	50,913	53,595	5.3%
Marrs Township	243,191	254,693	4.7%
Point Township	16,991	17,601	3.6%
Robb Township	49,742	51,523	3.6%
Robinson Township	136,709	141,849	3.8%
Smith Township	40,645	41,776	2.8%
Mount Vernon Civil City	2,884,839	2,988,369	3.6%
Cynthiana Civil Town	61,845	64,411	4.1%
Griffin Civil Town	10,342	11,187	8.2%
New Harmony Civil Town	131,747	136,498	3.6%
Poseyville Civil Town	251,914	261,464	3.8%
M.S.D. Mount Vernon School Corporation	22,701,165	22,814,672	0.5%
M.S.D. North Posey County School Corporation	5,734,617	6,169,436	7.6%
New Harmony Town And Township School Corporation	1,359,192	1,349,939	-0.7%
New Harmony Workingmens Institute	57,415	53,589	-6.7%
Poseyville Carnegie Library	100,028	103,608	3.6%
Alexandrian Free Public Library	1,251,178	1,268,296	1.4%
Griffin-Bethel Township Fire Protection	51,084	53,226	4.2%
Wadesville-Center Township Fire	44,216	41,467	-6.2%
Posey County Solid Waste Management District	448,792	470,953	4.9%