

PROPERTY TAXES IN RUSH COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

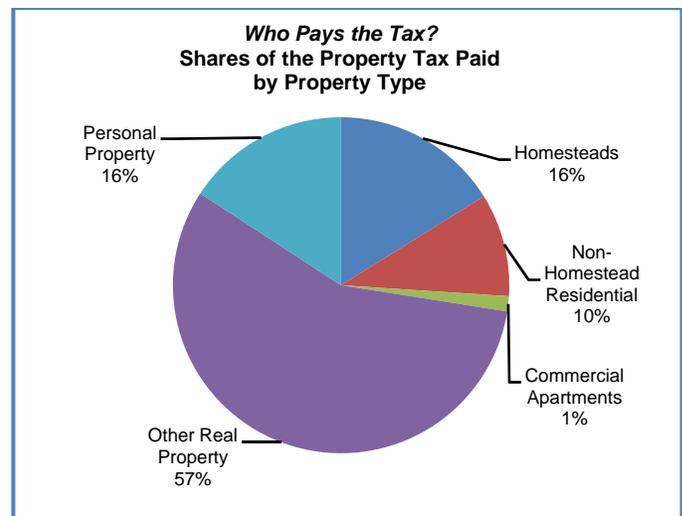
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

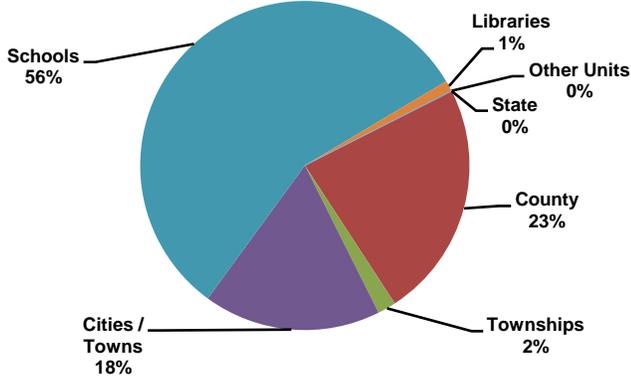
In Rush County, the average homeowner saw their tax bill decrease by 42.7% for 2008, with 94.0% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 11.4%, and 84.6% of homeowners would have seen tax bill increases.

In Rush County, 16% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 10% 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	270	5.1%	1,349	25.3%
10% to 19%	12	0.2%	2,159	40.4%
1% to 9%	9	0.2%	1,004	18.8%
0%	32	0.6%	32	0.6%
-1% to -9%	22	0.4%	253	4.7%
-10% to -19%	51	1.0%	125	2.3%
-20% to -29%	170	3.2%	53	1.0%
-30% to -39%	675	12.6%	48	0.9%
-40% to -49%	1,867	35.0%	61	1.1%
-50% to -59%	697	13.1%	50	0.9%
-60% to -69%	1,177	22.0%	67	1.3%
-70% to -79%	110	2.1%	12	0.2%
-80% to -89%	116	2.2%	9	0.2%
-90% to -99%	15	0.3%	1	0.0%
-100%	<u>116</u>	<u>2.2%</u>	<u>116</u>	<u>2.2%</u>
Total	5,339	100.0%	5,339	100.0%
Higher Tax Bill	291	5.4%	4,512	84.6%
No Change	32	0.6%	32	0.6%
Lower Tax Bill	5,016	94.0%	795	14.8%
Average Change in Tax Bill	-42.7%		11.4%	



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



On average, Rush County property tax levies increased 10.6% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. County welfare levies and the Rush County School Corporation capital projects levy saw the largest increases.

In Rush County, school corporations receive 56% of all property taxes. The county, the city, and the towns receive most of the rest. 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 Rush County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$19,520,119	\$21,589,661	10.6%
State Unit	18,783	20,371	8.5%
Rush County	4,396,088	5,008,758	13.9%
Anderson Township	38,942	40,715	4.6%
Center Township	28,266	30,448	7.7%
Jackson Township	31,356	33,908	8.1%
Noble Township	11,589	12,008	3.6%
Orange Township	6,590	6,840	3.8%
Posey Township	57,404	60,451	5.3%
Richland Township	12,417	13,074	5.3%
Ripley Township	64,534	67,495	4.6%
Rushville Township	59,193	62,531	5.6%
Union Township	11,794	12,148	3.0%
Walker Township	20,309	17,184	-15.4%
Washington Township	33,211	34,290	3.2%
Rushville Civil City	3,483,893	3,571,532	2.5%
Carthage Civil Town	146,749	152,984	4.2%
Glenwood Civil Town	35,777	37,733	5.5%
Charles A. Beard Memorial School Corporation	1,392,626	1,417,540	1.8%
Rush County School Corporation	9,445,938	10,761,105	13.9%
Carthage-Henry Hensley Public Library	1,759	1,857	5.6%
Rushville Public Library	222,901	226,689	1.7%