

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



Legislative Services Agency

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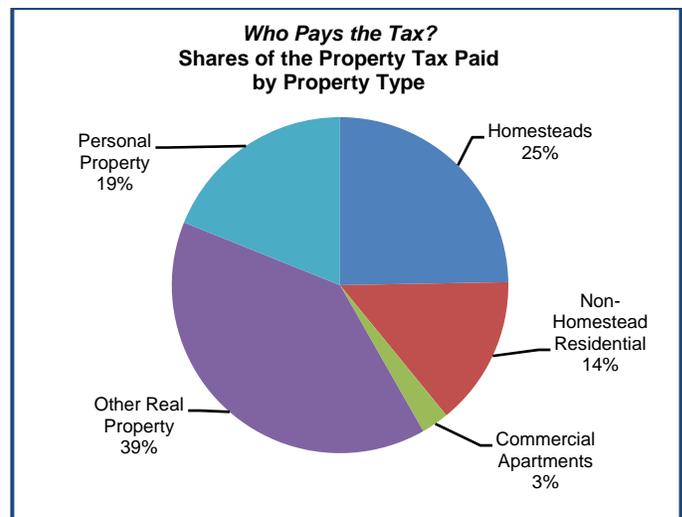
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

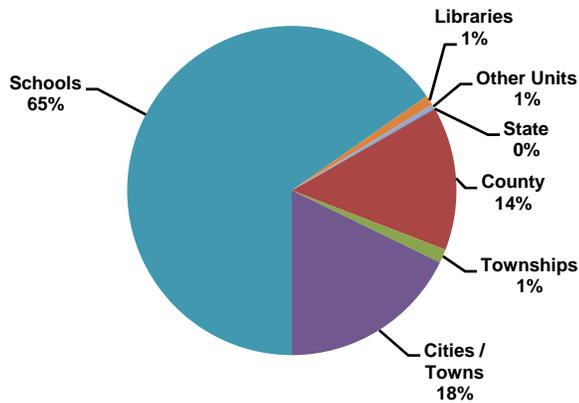
In Shelby County, the average homeowner saw their tax bill decrease by 25.6% for 2008, with 96.8% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 6.0%, and 65.7% of homeowners would have seen tax bill increases.

In Shelby County, 25% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 14% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 3% are paid by owners of larger rental housing units (commercial apartments); and 58% 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	135	1.2%	1,864	16.5%
10% to 19%	60	0.5%	1,953	17.3%
1% to 9%	116	1.0%	3,616	32.0%
0%	60	0.5%	64	0.6%
-1% to -9%	464	4.1%	2,648	23.4%
-10% to -19%	2,187	19.3%	764	6.8%
-20% to -29%	4,292	37.9%	196	1.7%
-30% to -39%	3,115	27.5%	101	0.9%
-40% to -49%	610	5.4%	51	0.5%
-50% to -59%	178	1.6%	28	0.2%
-60% to -69%	58	0.5%	21	0.2%
-70% to -79%	33	0.3%	5	0.0%
-80% to -89%	4	0.0%	1	0.0%
-90% to -99%	1	0.0%	1	0.0%
-100%	3	0.0%	3	0.0%
<b>Total</b>	<b>11,316</b>	<b>100.0%</b>	<b>11,316</b>	<b>100.0%</b>
Higher Tax Bill	311	2.7%	7,433	65.7%
No Change	60	0.5%	64	0.6%
Lower Tax Bill	10,945	96.8%	3,819	33.7%
<b>Average Change in Tax Bill</b>	<b>-25.6%</b>		<b>6.0%</b>	



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



On average, Shelby County property tax levies decreased 0.8% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. County welfare levies saw the largest decline.

In Shelby County, school corporations receive 65% of all property taxes. The county, city, and towns receive most of the rest. Townships, the library district, 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 Shelby County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$53,553,658	\$53,132,096	-0.8%
State Unit	52,836	54,057	2.3%
Shelby County	8,662,842	7,486,908	-13.6%
Addison Township	70,037	71,815	2.5%
Brandywine Township	61,028	61,379	0.6%
Hanover Township	61,674	62,095	0.7%
Hendricks Township	18,734	19,325	3.2%
Jackson Township	16,864	17,144	1.7%
Liberty Township	22,304	19,886	-10.8%
Marion Township	33,344	34,853	4.5%
Moral Township	116,647	204,811	75.6%
Noble Township	29,815	29,520	-1.0%
Shelby Township	59,416	58,180	-2.1%
Sugar Creek Township	35,282	35,328	0.1%
Union Township	27,407	27,372	-0.1%
Van Buren Township	51,750	53,229	2.9%
Washington Township	24,082	25,017	3.9%
Shelbyville Civil City	8,597,292	9,007,172	4.8%
St. Paul Civil Town	3,970	17,308	336.0%
Edinburgh Civil Town	97,555	186,045	90.7%
Morristown Civil Town	241,157	237,911	-1.3%
Decatur County Community School Corporation	48,714	47,387	-2.7%
Shelby Eastern School Corporation	8,804,368	8,909,418	1.2%
Northwestern Consolidated School Corporation	5,376,192	5,205,630	-3.2%
Southwestern Consolidated Shelby County	3,078,485	3,284,215	6.7%
Shelbyville Central School Corporation	17,293,827	17,232,121	-0.4%
Shelbyville-Shelby County Public Library	501,939	527,057	5.0%
Shelby County Solid Waste	147,499	153,162	3.8%
Shelbyville Redevelopment Commission	18,598	63,751	242.8%