

PROPERTY TAXES IN SPENCER COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

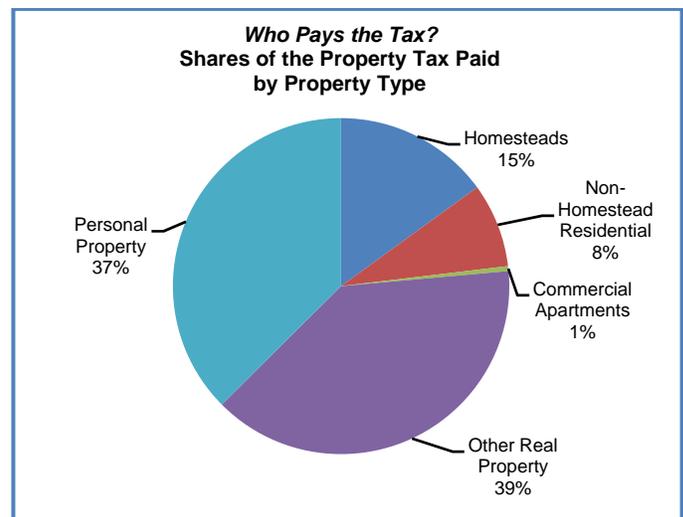
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

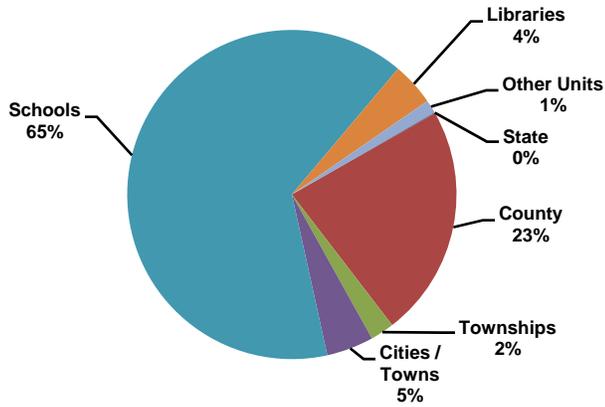
In Spencer County, the average homeowner saw their tax bill decrease by 34.2% for 2008, with 95.2% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 1.2%, and 56.1% of homeowners would have seen tax bill decreases.

In Spencer County, 15% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 8% 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	162	2.2%	283	3.8%
10% to 19%	13	0.2%	230	3.1%
1% to 9%	30	0.4%	2,576	34.9%
0%	145	2.0%	156	2.1%
-1% to -9%	94	1.3%	3,287	44.5%
-10% to -19%	180	2.4%	100	1.4%
-20% to -29%	905	12.2%	40	0.5%
-30% to -39%	4,472	60.5%	38	0.5%
-40% to -49%	652	8.8%	56	0.8%
-50% to -59%	55	0.7%	83	1.1%
-60% to -69%	88	1.2%	47	0.6%
-70% to -79%	102	1.4%	9	0.1%
-80% to -89%	10	0.1%	3	0.0%
-90% to -99%	8	0.1%	8	0.1%
-100%	474	6.4%	474	6.4%
Total	7,390	100.0%	7,390	100.0%
Higher Tax Bill	205	2.8%	3,089	41.8%
No Change	145	2.0%	156	2.1%
Lower Tax Bill	7,040	95.2%	4,145	56.1%
Average Change in Tax Bill	-34.2%		-1.2%	



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



On average, Spencer County property tax levies increased 4.6% from 2007 to 2008. This is near the expected statewide average increase of 5%. County levies for welfare increased substantially, as did the North Spencer School Corporation general fund and capital projects levies and the South Spencer School Corporation debt service levy.

In Spencer County, school corporations receive 65% of all property taxes. The county receives most of the rest. The city, towns, townships, library districts, special districts, and the state collect 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 Spencer County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$29,337,539	\$30,689,358	4.6%
State Unit	28,872	31,188	8.0%
Spencer County	6,475,766	7,000,341	8.1%
Carter Township	23,247	24,060	3.5%
Clay Township	36,719	38,030	3.6%
Grass Township	47,972	72,923	52.0%
Hammond Township	27,927	30,792	10.3%
Harrison Township	25,275	25,872	2.4%
Huff Township	14,699	15,214	3.5%
Jackson Township	18,067	19,408	7.4%
Luce Township	225,604	238,113	5.5%
Ohio Township	299,767	255,275	-14.8%
Rockport Civil City	486,665	497,612	2.2%
Chrisney Civil Town	40,482	41,798	3.3%
Dale Civil Town	232,726	241,196	3.6%
Gentryville Civil Town	20,722	20,638	-0.4%
Grandview Civil Town	67,779	70,995	4.7%
Santa Claus Civil Town	528,650	544,628	3.0%
North Spencer County School Corporation	8,759,469	9,245,405	5.5%
South Spencer County School Corporation	10,334,453	10,582,084	2.4%
Spencer County Public Library	833,871	853,018	2.3%
Lincoln Heritage Public Library	434,084	448,879	3.4%
Carter Fire Protection District	86,002	89,108	3.6%
Spencer County Solid Waste Management District	288,721	302,781	4.9%