

PROPERTY TAXES IN STARKE COUNTY, INDIANA, 2007-2008



Legislative Services Agency

September 2008

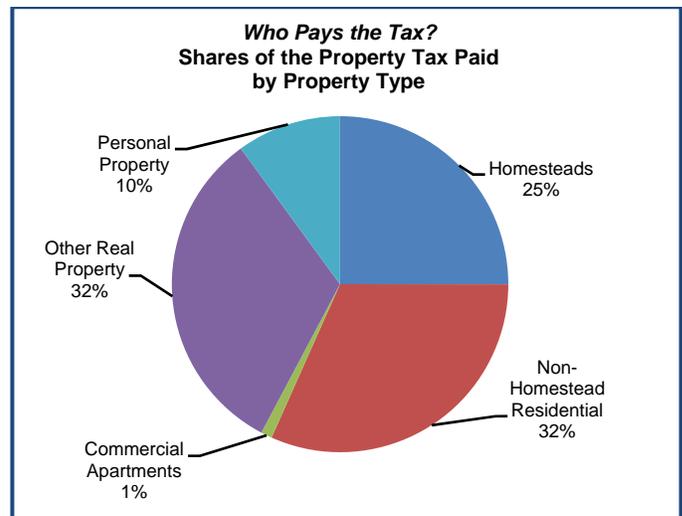
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

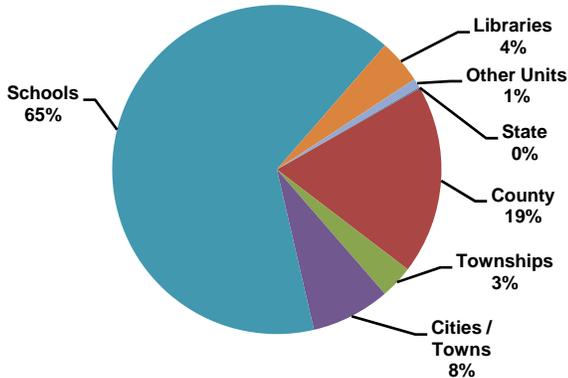
In Starke County, the average homeowner saw their tax bill decrease by 38.6% for 2008, with 98.5% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by only 9.6%, though 94.0% of homeowners would have seen tax bill decreases.

In Starke County, 25% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 32% 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 42% 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	34	0.5%	128	1.9%
10% to 19%	12	0.2%	66	1.0%
1% to 9%	31	0.5%	189	2.8%
0%	26	0.4%	28	0.4%
-1% to -9%	42	0.6%	2,675	39.0%
-10% to -19%	133	1.9%	3,377	49.3%
-20% to -29%	655	9.6%	224	3.3%
-30% to -39%	2,602	38.0%	71	1.0%
-40% to -49%	2,857	41.7%	35	0.5%
-50% to -59%	254	3.7%	20	0.3%
-60% to -69%	154	2.2%	8	0.1%
-70% to -79%	25	0.4%	9	0.1%
-80% to -89%	10	0.1%	5	0.1%
-90% to -99%	6	0.1%	6	0.1%
-100%	13	0.2%	13	0.2%
Total	6,854	100.0%	6,854	100.0%
Higher Tax Bill	77	1.1%	383	5.6%
No Change	26	0.4%	28	0.4%
Lower Tax Bill	6,751	98.5%	6,443	94.0%
Average Change in Tax Bill	-38.6%		-9.6%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Starke County property tax levies decreased 2.1% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The county welfare levies and Knox City's general fund saw the largest levy decreases.

In Starke County, school corporations receive 65% of all property taxes. The county, the city, and the towns receive most of the rest. Townships, library districts, the airport authority, 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 Starke County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$22,830,274	\$22,352,358	-2.1%
State Unit	22,378	26,761	19.6%
Starke County	5,398,634	4,153,738	-23.1%
California Township	253,803	233,768	-7.9%
Center Township	69,171	63,426	-8.3%
Davis Township	53,839	46,445	-13.7%
Jackson Township	18,033	16,725	-7.3%
North Bend Township	65,024	61,831	-4.9%
Oregon Township	89,703	94,656	5.5%
Railroad Township	88,392	84,736	-4.1%
Washington Township	77,050	71,822	-6.8%
Wayne Township	56,628	52,991	-6.4%
Knox Civil City	1,334,699	1,216,068	-8.9%
Hamlet Civil Town	169,628	171,997	1.4%
North Judson Civil Town	362,220	348,600	-3.8%
Culver Community School Corporation	831,180	1,022,647	23.0%
Oregon-Davis School Corporation	2,516,628	2,525,712	0.4%
North Judson-San Pierre School Corporation	3,484,664	3,451,515	-1.0%
Knox Community School Corporation	6,672,145	7,530,063	12.9%
North Judson Public Library	199,311	188,482	-5.4%
Starke County Public Library	848,961	786,425	-7.4%
Starke County Airport Authority	218,183	203,950	-6.5%