

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



Legislative Services Agency

October 2008

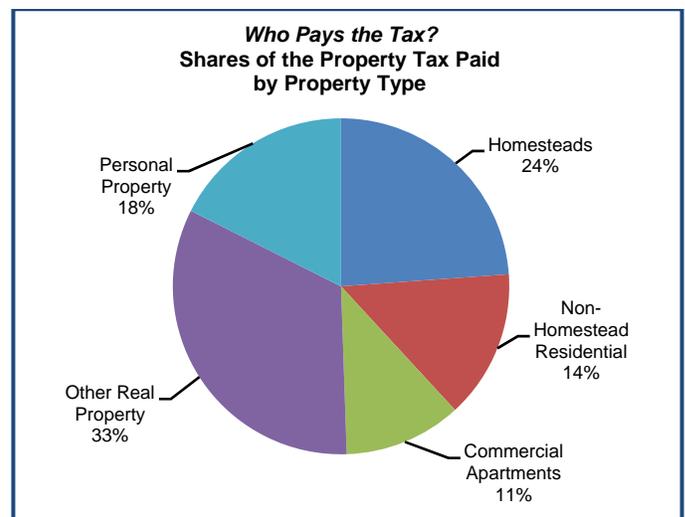
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

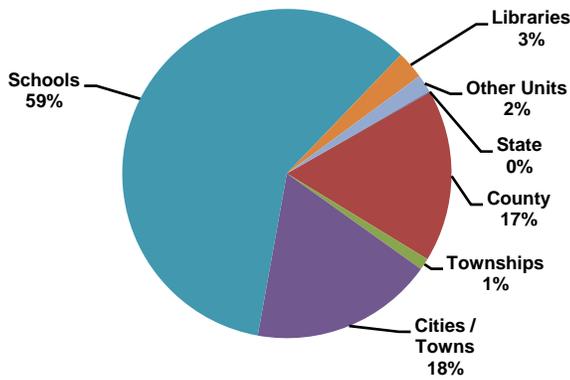
In Tippecanoe County, the average homeowner saw their tax bill decrease by 28.8% for 2008, with 98.2% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 5.9%, and 75.0% of homeowners would have seen tax bill increases.

In Tippecanoe County, 24% 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); 11% are paid by owners of larger rental housing units (commercial apartments); and 51% 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	179	0.6%	3,559	11.1%
10% to 19%	120	0.4%	8,028	25.0%
1% to 9%	262	0.8%	12,486	38.9%
0%	38	0.1%	40	0.1%
-1% to -9%	717	2.2%	6,268	19.5%
-10% to -19%	2,461	7.7%	1,021	3.2%
-20% to -29%	13,769	42.9%	332	1.0%
-30% to -39%	13,022	40.6%	254	0.8%
-40% to -49%	1,080	3.4%	57	0.2%
-50% to -59%	342	1.1%	10	0.0%
-60% to -69%	63	0.2%	10	0.0%
-70% to -79%	10	0.0%	2	0.0%
-80% to -89%	7	0.0%	4	0.0%
-90% to -99%	3	0.0%	2	0.0%
-100%	4	0.0%	4	0.0%
<b>Total</b>	<b>32,077</b>	<b>100.0%</b>	<b>32,077</b>	<b>100.0%</b>
Higher Tax Bill	561	1.7%	24,073	75.0%
No Change	38	0.1%	40	0.1%
Lower Tax Bill	31,478	98.2%	7,964	24.9%
<b>Average Change in Tax Bill</b>	<b>-28.8%</b>		<b>5.9%</b>	



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



On average, Tippecanoe County property tax levies increased 5.9% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The largest increases were in the Lafayette School Corporation's debt service and capital projects fund levies, and the Tippecanoe School Corporation's general fund and debt service levies.

In Tippecanoe County, school corporations receive 59% of all property taxes. The county and the cities 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 Tippecanoe County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$184,329,096</i>	<i>\$195,148,951</i>	<i>5.9%</i>
State Unit	175,510	185,007	5.4%
Tippecanoe County	32,418,133	33,085,339	2.1%
Fairfield Township	308,875	324,898	5.2%
Jackson Township	38,448	40,040	4.1%
Lauramie Township	92,905	96,408	3.8%
Perry Township	142,103	146,328	3.0%
Randolph Township	65,459	70,233	7.3%
Sheffield Township	86,554	82,894	-4.2%
Shelby Township	50,779	52,183	2.8%
Tippecanoe Township	236,701	250,232	5.7%
Union Township	30,686	33,486	9.1%
Wabash Township	451,091	469,625	4.1%
Washington Township	133,785	179,039	33.8%
Wayne Township	91,886	82,445	-10.3%
Wea Township	374,436	393,540	5.1%
Lafayette Civil City	26,304,230	26,170,640	-0.5%
West Lafayette Civil City	7,611,885	7,991,063	5.0%
Otterbein Civil Town	78,220	82,978	6.1%
Battle Ground Civil Town	201,969	208,788	3.4%
Clarks Hill Civil Town	61,261	62,632	2.2%
Dayton Civil Town	162,031	175,912	8.6%
Shadeland Civil Town	377,842	394,657	4.5%
Benton Community School Corporation	2,194,496	2,090,412	-4.7%
Lafayette School Corporation	32,610,640	35,863,597	10.0%
Tippecanoe School Corporation	56,543,106	61,991,084	9.6%
West Lafayette Community School Corporation	14,879,265	15,848,757	6.5%
Otterbein Public Library	28,595	14,929	-47.8%
West Lafayette Public Library	1,816,402	1,484,507	-18.3%
Tippecanoe County Public Library	3,588,604	3,845,438	7.2%
Greater Lafayette Public Transportation	1,857,415	1,942,985	4.6%
Wildcat Creek Solid Waste Management District	190,136	246,675	29.7%
Lafayette Redevelopment Commission	1,125,648	1,242,200	10.4%