

PROPERTY TAXES IN TIPTON COUNTY, INDIANA, 2007-2008



Legislative Services Agency

September 2008

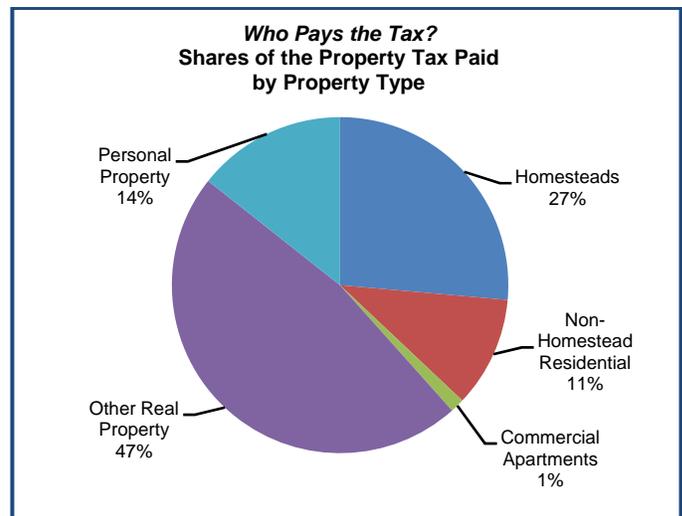
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

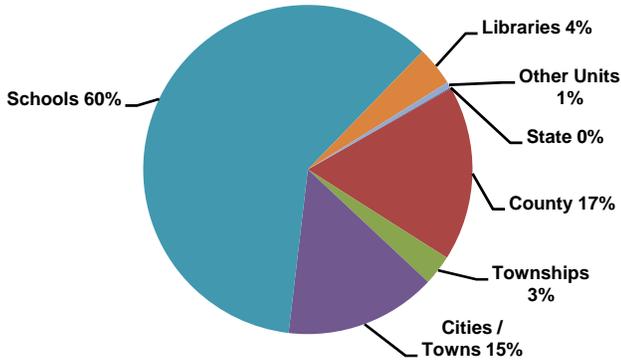
In Tipton County, the average homeowner saw their tax bill decrease by 39.1% for 2008, with 90.7% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 2.5%, and 75.6% of homeowners would have seen tax bill increases.

In Tipton County, 27% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 11% 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 61% 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	84	1.4%	654	11.0%
10% to 19%	278	4.7%	120	2.0%
1% to 9%	162	2.7%	3,709	62.6%
0%	32	0.5%	39	0.7%
-1% to -9%	37	0.6%	1,119	18.9%
-10% to -19%	101	1.7%	133	2.2%
-20% to -29%	333	5.6%	69	1.2%
-30% to -39%	1,678	28.3%	28	0.5%
-40% to -49%	2,991	50.5%	22	0.4%
-50% to -59%	151	2.5%	11	0.2%
-60% to -69%	44	0.7%	10	0.2%
-70% to -79%	20	0.3%	3	0.1%
-80% to -89%	8	0.1%	4	0.1%
-90% to -99%	5	0.1%	3	0.1%
-100%	4	0.1%	4	0.1%
Total	5,928	100.0%	5,928	100.0%
Higher Tax Bill	524	8.8%	4,483	75.6%
No Change	32	0.5%	39	0.7%
Lower Tax Bill	5,372	90.7%	1,406	23.7%
Average Change in Tax Bill	-39.1%		2.5%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Tipton County property tax levies increased 5.7% from 2007 to 2008. This is slightly higher than the expected statewide average increase of 5%. The largest increases were in the county welfare levies and the two school corporations' general fund levies.

In Tipton County, school corporations receive 60% of all property taxes. The county and the cities and towns receive most of the rest. Townships, the library district, the solid waste management district, 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 Tipton County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$18,762,104	\$19,830,120	5.7%
State Unit	19,404	20,429	5.3%
Tipton County	2,975,263	3,419,263	14.9%
Cicero Township	235,811	243,664	3.3%
Jefferson Township	48,772	50,915	4.4%
Liberty Township	62,891	65,890	4.8%
Madison Township	92,354	96,794	4.8%
Prairie Township	12,749	13,359	4.8%
Wildcat Township	114,762	114,702	-0.1%
Elwood Civil City	12,992	13,683	5.3%
Tipton Civil City	2,616,485	2,610,040	-0.2%
Kempton Civil Town	59,170	62,653	5.9%
Sharpsville Civil Town	122,339	129,493	5.8%
Windfall Civil Town	138,360	139,661	0.9%
Northern Community Schools Tipton County	3,961,945	4,211,101	6.3%
Tipton Community School Corporation	7,469,802	7,764,292	3.9%
Tipton County Public Library	715,518	766,079	7.1%
Tipton County Solid Waste District	103,487	108,102	4.5%