

PROPERTY TAXES IN UNION COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

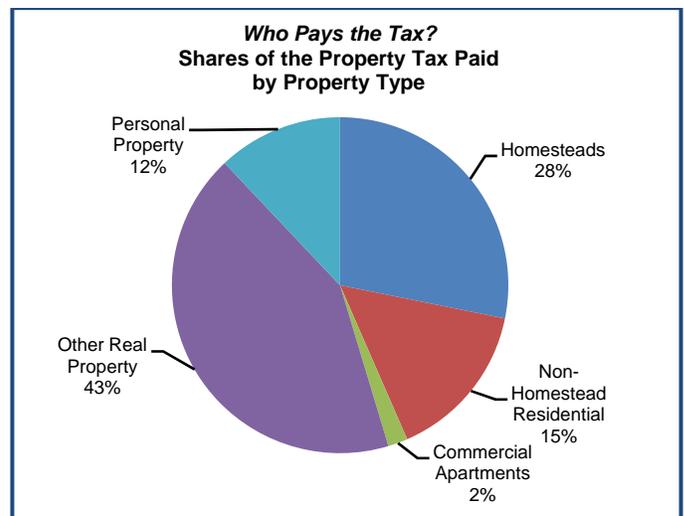
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

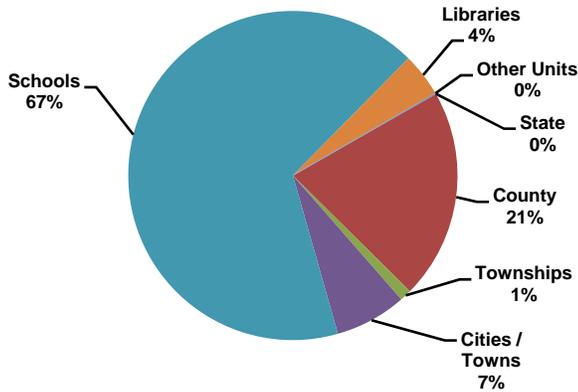
In Union County, the average homeowner saw their tax bill decrease by 16.4% for 2008, with 94.4% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 14.3%, and 92.5% of homeowners would have seen tax bill increases.

In Union County, 28% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 15% are paid by owners of smaller rental housing units or owners of second homes (non-homestead residential); 2% are paid by owners of larger rental housing units (commercial apartments); and 55% 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	60	2.9%	224	10.7%
10% to 19%	10	0.5%	1,622	77.8%
1% to 9%	23	1.1%	83	4.0%
0%	23	1.1%	23	1.1%
-1% to -9%	154	7.4%	17	0.8%
-10% to -19%	1,292	61.9%	12	0.6%
-20% to -29%	397	19.0%	17	0.8%
-30% to -39%	18	0.9%	21	1.0%
-40% to -49%	24	1.2%	20	1.0%
-50% to -59%	25	1.2%	25	1.2%
-60% to -69%	36	1.7%	5	0.2%
-70% to -79%	7	0.3%	1	0.0%
-80% to -89%	1	0.0%	0	0.0%
-90% to -99%	0	0.0%	0	0.0%
-100%	16	0.8%	16	0.8%
Total	2,086	100.0%	2,086	100.0%
Higher Tax Bill	93	4.5%	1,929	92.5%
No Change	23	1.1%	23	1.1%
Lower Tax Bill	1,970	94.4%	134	6.4%
Average Change in Tax Bill	-16.4%		14.3%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Union County property tax levies increased 14.5% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The Union County School Corporation general fund, debt service, capital projects, and bus replacement levies increased the most.

In Union County, the school corporation receives 67% of all property taxes. The county and towns receive most of the rest. Townships, the library district, 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 Union County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$7,908,601</i>	<i>\$9,057,896</i>	<i>14.5%</i>
State Unit	7,842	8,431	7.5%
Union County	2,080,729	1,871,357	-10.1%
Brownsville Township	13,613	14,801	8.7%
Center Township	22,880	24,142	5.5%
Harmony Township	16,145	16,111	-0.2%
Harrison Township	15,375	16,074	4.5%
Liberty Township	17,991	18,830	4.7%
Union Township	12,991	13,885	6.9%
Liberty Civil Town	514,116	559,885	8.9%
West College Corner Civil Town	62,276	75,818	21.7%
Union County School Corporation	4,789,795	6,051,433	26.3%
Union County Public Library	354,848	387,129	9.1%