

PROPERTY TAXES IN VIGO COUNTY, INDIANA, 2007-2008



Legislative Services Agency

October 2008

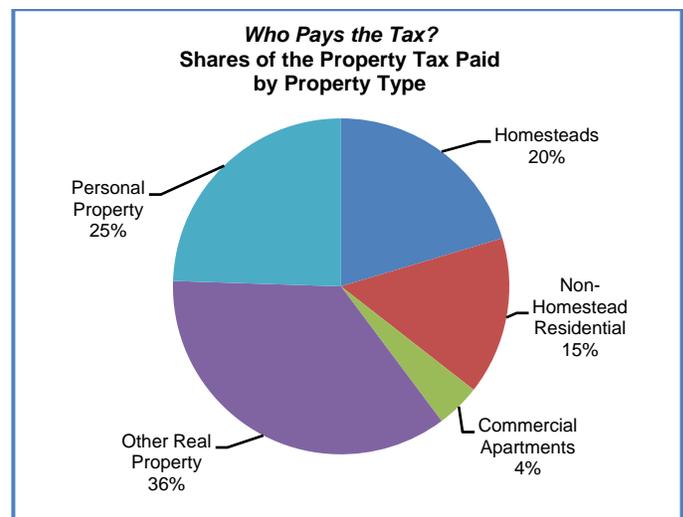
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

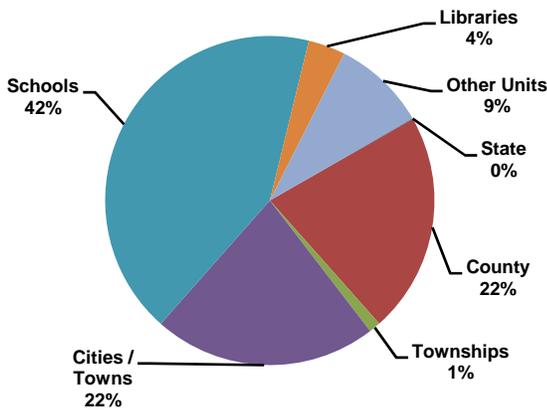
In Vigo County, the average homeowner saw their tax bill decrease by 38.2% for 2008, with 96.8% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 9.4%, and 85.8% of homeowners would have seen tax bill increases.

In Vigo County, 20% 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); 4% 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	198	0.8%	3,882	15.1%
10% to 19%	45	0.2%	9,648	37.6%
1% to 9%	125	0.5%	8,472	33.1%
0%	451	1.8%	449	1.8%
-1% to -9%	275	1.1%	1,863	7.3%
-10% to -19%	779	3.0%	532	2.1%
-20% to -29%	2,639	10.3%	263	1.0%
-30% to -39%	8,912	34.8%	172	0.7%
-40% to -49%	10,845	42.3%	104	0.4%
-50% to -59%	833	3.2%	76	0.3%
-60% to -69%	260	1.0%	44	0.2%
-70% to -79%	133	0.5%	36	0.1%
-80% to -89%	60	0.2%	22	0.1%
-90% to -99%	20	0.1%	12	0.0%
-100%	58	0.2%	58	0.2%
Total	25,633	100.0%	25,633	100.0%
Higher Tax Bill	368	1.4%	22,002	85.8%
No Change	451	1.8%	449	1.8%
Lower Tax Bill	24,814	96.8%	3,182	12.4%
Average Change in Tax Bill		-38.2%		9.4%



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Vigo County property tax levies increased 3.6% from 2007 to 2008. This is lower than the expected statewide average increase of 5%. The largest increases were in the Vigo County School Corporation general fund, debt service, capital projects, and bus replacement levies. The county welfare levy saw a large decrease.

In Vigo County, the school corporation receives 42% of all property taxes. The county, city, and towns receive most of the rest. Townships, the library district, 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 Vigo County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$122,885,843</i>	<i>\$127,368,502</i>	<i>3.6%</i>
State Unit	94,815	96,410	1.7%
Vigo County	29,507,336	27,645,613	-6.3%
Fayette Township	68,214	80,600	18.2%
Harrison Township	551,125	567,449	3.0%
Honey Creek Township	32,647	33,285	2.0%
Linton Township	46,627	44,071	-5.5%
Lost Creek Township	88,211	90,279	2.3%
Nevins Township	52,621	55,680	5.8%
Otter Creek Township	211,259	221,038	4.6%
Pierson Township	60,468	89,036	47.2%
Prairie Creek Township	40,926	41,181	0.6%
Prairieton Township	12,848	13,689	6.5%
Riley Township	21,120	22,143	4.8%
Sugar Creek Township	156,841	189,585	20.9%
Terre Haute Civil City	27,348,936	27,461,719	0.4%
Riley Civil Town	15,620	16,564	6.0%
Seelyville Civil Town	46,007	49,255	7.1%
West Terre Haute Civil Town	366,488	423,205	15.5%
Vigo County School Corporation	49,647,702	53,853,106	8.5%
Vigo County Public Library	4,444,471	4,631,705	4.2%
Terre Haute Sanitary	7,000,751	8,071,997	15.3%
Hulman Field Airport	1,181,241	1,144,871	-3.1%
Honey Creek Fire Protection District	1,247,781	1,517,727	21.6%
New Goshen Fire Protection District	107,763	125,010	16.0%
Lost Creek Fire Protection District	78,445	87,039	11.0%
Prairieton Fire Protection District	57,419	61,487	7.1%
Riley Fire Protection District	152,257	264,596	73.8%
Sugar Creek Township Fire District	245,904	470,162	91.2%