

PROPERTY TAXES IN WABASH COUNTY, INDIANA, 2007-2008



Legislative Services Agency

August 2008

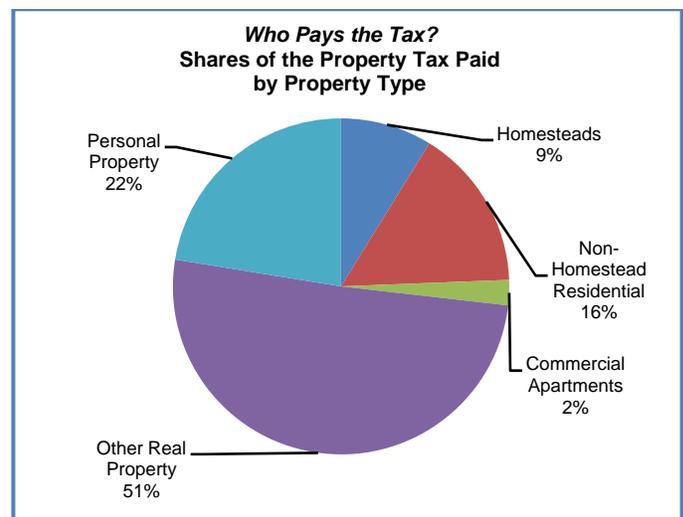
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over 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.

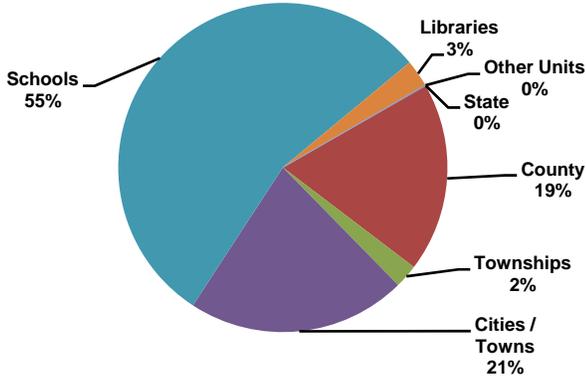
In Wabash County, the average homeowner saw their tax bill decrease by 81.7% for 2008, with 97.8% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have decreased by 47.2%, and 97.5% of homeowners would have seen tax bill decreases. Wabash County adopted a local option income tax for 2008, which contributed additional property tax relief.

In Wabash County, 9% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 16% 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 73% 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	154	1.4%	172	1.6%
10% to 19%	5	0.0%	9	0.1%
1% to 9%	2	0.0%	14	0.1%
0%	74	0.7%	73	0.7%
-1% to -9%	10	0.1%	28	0.3%
-10% to -19%	22	0.2%	92	0.9%
-20% to -29%	59	0.6%	306	2.9%
-30% to -39%	109	1.0%	948	8.9%
-40% to -49%	227	2.1%	2,842	26.7%
-50% to -59%	378	3.5%	5,507	51.7%
-60% to -69%	684	6.4%	246	2.3%
-70% to -79%	989	9.3%	113	1.1%
-80% to -89%	2,243	21.0%	201	1.9%
-90% to -99%	5,404	50.7%	23	0.2%
-100%	301	2.8%	87	0.8%
Total	10,661	100.0%	10,661	100.0%
Higher Tax Bill	161	1.5%	195	1.8%
No Change	74	0.7%	73	0.7%
Lower Tax Bill	10,426	97.8%	10,393	97.5%
Average Change in Tax Bill	-81.7%		-47.2%	



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



On average, Wabash County property tax levies increased 0.5% from 2007 to 2008. This is lower than the expected statewide average increase of 5%.

In Wabash County, 55% of all property taxes are collected for the school corporations. The county, city and towns receive most of the rest. Townships, library 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 Wabash County**

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	<i>\$34,687,235</i>	<i>\$34,850,276</i>	<i>0.5%</i>
State Unit	31,077	31,803	2.3%
Wabash County	6,482,195	6,478,421	-0.1%
Chester Township	240,304	238,158	-0.9%
Lagro Township	113,639	118,307	4.1%
Liberty Township	60,165	60,919	1.3%
Noble Township	199,781	198,260	-0.8%
Paw Paw Township	56,486	55,750	-1.3%
Pleasant Township	128,732	112,874	-12.3%
Waltz Township	17,531	17,538	0.0%
Wabash Civil City	5,822,783	5,798,394	-0.4%
North Manchester Civil Town	1,513,877	1,435,115	-5.2%
Lafontaine Civil Town	142,369	137,547	-3.4%
Lagro Civil Town	56,495	62,011	9.8%
Roann Civil Town	71,006	77,277	8.8%
Manchester Community School Corporation	5,919,925	6,290,503	6.3%
M.S.D. Wabash County School Corporation	8,535,964	8,627,119	1.1%
Wabash City School Corporation	4,368,738	4,172,598	-4.5%
North Manchester Public Library	202,776	200,793	-1.0%
Roann Public Library	32,448	32,253	-0.6%
Wabash Public Library	690,944	704,636	2.0%