

PROPERTY TAXES IN WASHINGTON COUNTY, INDIANA, 2007-2008



Legislative Services Agency

November 2008

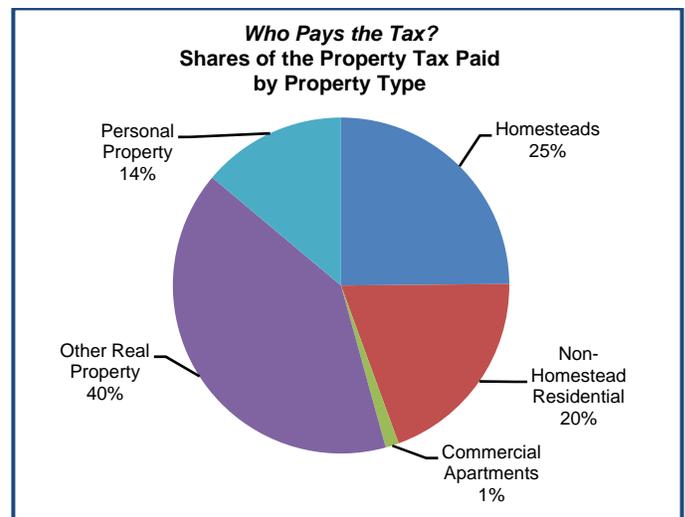
The Indiana General Assembly enacted major property tax reforms in 2008. These reforms are intended to provide substantial tax relief to homeowners. Starting in 2009, property taxes for the school general fund, county welfare funds, and several other funds will be eliminated, and their costs taken over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

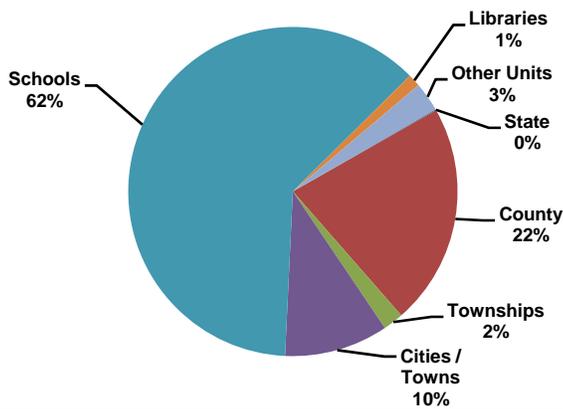
In Washington County, the average homeowner saw their tax bill decrease by 32.6% for 2008, with 96.3% of homeowners seeing decreases. Without the added homestead credit, the average tax bill would have increased by 6.0%, and 84.2% of homeowners would have seen tax bill increases.

In Washington County, 25% of property taxes are paid by homeowners (homesteads are primary residences, occupied by their owners); 20% 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 54% 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	78	1.1%	667	9.3%
10% to 19%	25	0.3%	1,914	26.7%
1% to 9%	94	1.3%	3,445	48.1%
0%	65	0.9%	67	0.9%
-1% to -9%	235	3.3%	749	10.5%
-10% to -19%	649	9.1%	131	1.8%
-20% to -29%	1,494	20.9%	61	0.9%
-30% to -39%	3,003	41.9%	44	0.6%
-40% to -49%	1,308	18.3%	31	0.4%
-50% to -59%	109	1.5%	18	0.3%
-60% to -69%	55	0.8%	11	0.2%
-70% to -79%	22	0.3%	8	0.1%
-80% to -89%	11	0.2%	4	0.1%
-90% to -99%	7	0.1%	5	0.1%
-100%	6	0.1%	6	0.1%
Total	7,161	100.0%	7,161	100.0%
Higher Tax Bill	197	2.8%	6,026	84.2%
No Change	65	0.9%	67	0.9%
Lower Tax Bill	6,899	96.3%	1,068	14.9%
Average Change in Tax Bill	-32.6%		6.0%	



Who Gets the Revenue?
Property Tax Levies by Government Type



On average, Washington County property tax levies increased 7.6% from 2007 to 2008. This is higher than the expected statewide average increase of 5%. The biggest levy increases were in the county welfare funds, the East Washington School Corporation general fund and capital projects fund, and the Salem City general fund.

In Washington County, school corporations receive 62% of all property taxes. The county, city, and towns receive most of the rest. Townships, the library district, the 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 Washington County

Taxing Unit	2007 Levy	2008 Levy	Change
<i>County Total</i>	\$23,351,699	\$25,118,110	7.6%
State Unit	22,593	23,290	3.1%
Washington County	5,148,451	5,474,208	6.3%
Brown Township	18,119	18,559	2.4%
Franklin Township	41,572	42,555	2.4%
Gibson Township	35,678	24,620	-31.0%
Howard Township	10,312	10,899	5.7%
Jackson Township	32,019	34,133	6.6%
Jefferson Township	13,618	14,545	6.8%
Madison Township	19,364	19,725	1.9%
Monroe Township	29,074	38,451	32.3%
Pierce Township	39,351	41,569	5.6%
Polk Township	37,854	41,372	9.3%
Posey Township	32,755	42,992	31.3%
Vernon Township	16,195	16,815	3.8%
Washington Township	151,748	158,777	4.6%
Salem Civil City	2,160,035	2,371,958	9.8%
Campbellsburg Civil Town	63,812	63,136	-1.1%
Hardinsburg Civil Town	5,620	5,710	1.6%
Little York Civil Town	786	810	3.1%
Livonia Civil Town	2,354	2,404	2.1%
New Pekin Civil Town	115,513	114,187	-1.1%
Saltillo Civil Town	354	0	-100.0%
Salem Community School Corporation	6,689,023	6,921,860	3.5%
East Washington School Corporation	4,229,824	4,906,176	16.0%
West Washington School Corporation	3,509,502	3,702,493	5.5%
Salem Public Library	251,735	310,350	23.3%
Washington County Solid Waste Management	572,364	611,372	6.8%
Blue River Fire Protection District	28,382	29,997	5.7%
Brown-Vernon Fire District	73,692	75,147	2.0%