

PROPERTY TAX REFORM, 2008-2010

- What happened in 2008?
 - Sales tax increase from 6% to 7%, on April 1.
 - Added homestead credits reduce homeowner taxes by about one-third.
 - Township trustees give up assessing duties to counties; most township assessor offices are eliminated, as of July 1.
 - Township assessors eliminated in 30 of 43 larger townships after voter referendum on November 4.
 - Capital projects become subject to referendum; as of June 2010 there have been 30 capital projects referenda; 11 have passed.
 - *General Assembly passed first resolution to amend the property tax caps into the Indiana Constitution.*

- What happened in 2009?
 - State took over school general fund and county welfare funds, eliminating those property tax levies.
 - State property tax replacement credits and most homestead credits were eliminated; small state homestead credit retained, to be phased out.
 - Homeowners received new 35% homestead deduction.
 - Tax caps begin phase in, at 1.5% of gross assessed value for homeowners, 2.5% for farm land and rental housing, and 3.5% for all other property; created local revenue losses.
 - *General Assembly did not hold a second vote on amending the tax caps into the Indiana Constitution.*

- What's happening in 2010?
 - Tax caps tighten to permanent levels, at 1% of gross assessed value for homeowners, 2% for farm land and rental housing, and 3% for all other property; this creates greater tax savings and greater local revenue losses.
 - State homestead credits continue to phase out.
 - *General Assembly passed the second resolution to amend the tax caps into the Indiana Constitution; Voters will see a referendum on November 2, 2010.*