



Department of Local Government Finance

Introduction to Local Income Tax

Ryan Burke
Assistant Budget Director
April 2024



Disclaimer

- This presentation and other Department of Local Government Finance materials are not a substitute for the law. The following is not legal advice, just an informative presentation. The Indiana Code always governs.



Agenda

- Local Income Tax: Definitions & Terminology
- LIT Local and State Agency Overview
- Types of Local Income Tax
- LIT Adoption Timing
- LIT Supplemental Distribution
- Frequently Asked Questions



Local Income Tax: Definitions & Terminology



What is Local Income Tax?

- It is a county imposed tax that is applied to taxpayers' taxable income.
- Local Income Tax is often referred to as "LIT".
- It is also a source of revenue for many local units of government.
 - Units of government are to receive over \$3.7 billion of LIT during 2024



What is a Local Income Tax Rate?

- A county's income tax rate represents the total of specific types of LIT which each have their own rate.
- This rate is applied to each taxpayer's wages over the course of the year.
- Withholdings are often taken out of each paycheck or may be paid quarterly by self-employed taxpayers.



What are the Types of LIT Rates?

Certified Shares

Public Safety

Economic Development

Correctional or Rehabilitation Facilities

Emergency Medical Service

Judicial

Acute Care Hospitals (effective July 1, 2024)

Property Tax Relief

Special Purpose Rate

+ Levy Freeze (in some counties)

Total County Income Tax Rate



Who Receives Local Income Tax Payments?

- The State Budget Agency keeps track of each county's separate amount of local income taxes that are generated from their residents.
- Only units of government within that county can receive income tax distributions generated from that county, but not all units of government will receive a distribution.
 - Exception: Non-government fire & EMS entities can request to receive part of the public safety LIT distribution.



Who pays Local Income Tax?

- Income tax rates are adopted at a county level and are paid by the residents of that county.
- *“Both the county of residence and the county of principal business or employment of an individual are determined on Jan. 1 of the calendar year in which the individual’s taxable year begins. If a person resides in an Indiana county on Jan. 1, or resides out-of-state on Jan. 1, but has his or her principal place of work or business in an Indiana county as of Jan. 1, he or she is subject to county tax at the rate corresponding to that Indiana county.”*

-Indiana Department of Revenue – [Departmental Notice #1](#)

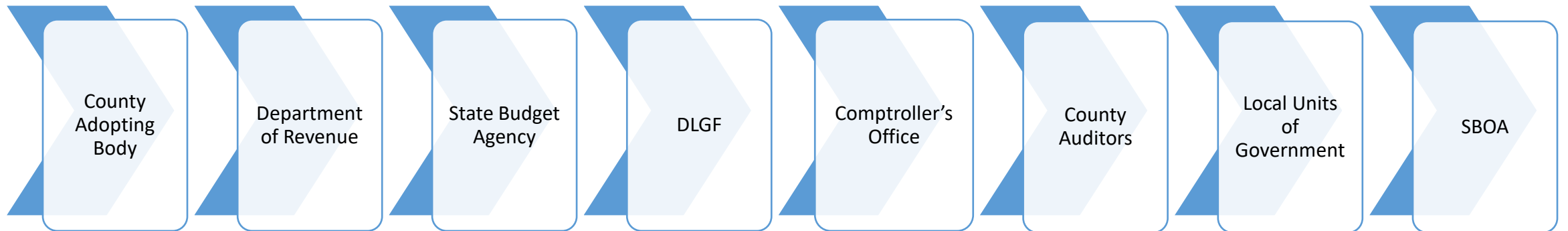


Local Income Tax Local & State Agency Overview



LIT – Local & State Agency Overview

There are a number of state and local agencies that play a role in the collection, calculation, distribution, receipt, and auditing of LIT:





County Adopting Body

- IC 6-3.6-3-1 outlines the adopting body as either the COUNTY FISCAL BODY or LOCAL INCOME TAX COUNCIL. This is dependent upon the county's income tax structure on 1/1/2015, prior to the statewide LIT consolidation.

County Fiscal Body

If the county was a former CAGIT county, the county council is the adopting body.

The county council will pass an ordinance to make changes to the configuration of LIT in the county.

Local Income Tax Council

- If the county was a former COIT county, then the adopting body is the Local Income Tax Council.
- The county and each city and town has an opportunity to pass resolutions and vote on changes to the configuration of LIT in the county.

- Note: IC 6-3.6-3-1 includes additional caveats that outline specific configurations used to determine adopting body and certain actions that can be taken by each body.



LIT – Department of Revenue

- DOR is responsible for informing taxpayers and employers of newest county total LIT rates and the process for paying income tax. DOR collects LIT for the State.
- Income Tax info and resources for taxpayers
 - <https://www.in.gov/dor/3988.htm>
- Annual Department Notice
 - <https://www.in.gov/dor/files/dn01.pdf>



LIT – State Budget Agency

- SBA is responsible for reconciling and certifying the total amount of LIT money by county and by LIT type. The totals are posted online, then distributed to the Comptroller's Office and DLGF.
- Certification process includes accounting for collections, refunds, amendments, adjustments, and corrections.



LIT – State Budget Agency

- SBA will post LIT estimates between August and October. By December, SBA will certify the 2025 LIT amounts.
- Local Income Tax Data
- <https://www.in.gov/sba/2587.htm>
- 2024 Certifications Calculations
- <https://www.in.gov/sba/files/2024-Certification-Calculations-2.pdf>



LIT – SBA LIT Rates

Local Income Tax Rate Amounts Estimated CY 2024 Certified Distributions Certified November 28, 2023

County Name	Expenditure: Certified Shares IC 6-3.6-6-10	Expenditure: Public Safety IC 6-3.6-6-8	Expenditure: Economic Development IC 6-3.6-6-9	Expenditure: LIT Correctional or Rehabilitation Facilities IC 6-3.6-6-2.7	Property Tax Relief IC 6-3.6-5	Special Purpose IC 6-3.6-7 ¹	Expenditure: Emergency medical services IC 6-3.6-6-2.8	Expenditure: Judicial System IC 6-3.6-6-2.9	Total
Adams	0.6000%	0.3100%	0.4000%	0.0000%	0.2900%	0.0000%	0.0000%	0.0000%	1.6000%
Allen	0.4821%	0.1000%	0.5300%	0.1100%	0.3679%	0.0000%	0.0000%	0.0000%	1.5900%
Bartholomew	1.2500%	0.0500%	0.2500%	0.2000%	0.0000%	0.0000%	0.0000%	0.0000%	1.7500%
Benton	1.0000%	0.2500%	0.2500%	0.0000%	0.2900%	0.0000%	0.0000%	0.0000%	1.7900%
Blackford	1.0000%	1.0500%	0.2500%	0.0000%	0.0000%	0.0000%	0.2000%	0.0000%	2.5000%
Boone	1.0000%	0.5000%	0.0000%	0.2000%	0.0000%	0.0000%	0.0000%	0.0000%	1.7000%
Brown	1.5234%	0.2500%	0.2500%	0.0000%	0.5000%	0.0000%	0.0000%	0.0000%	2.5234%
Carroll	1.6333%	0.0900%	0.1500%	0.2000%	0.2000%	0.0000%	0.0000%	0.0000%	2.2733%
Cass	1.0000%	0.5000%	0.2500%	0.2000%	1.0000%	0.0000%	0.0000%	0.0000%	2.9500%
Clark	1.0000%	0.2100%	0.2500%	0.0000%	0.5000%	0.0000%	0.0400%	0.0000%	2.0000%
Clay	1.0000%	0.3500%	0.0000%	0.0000%	0.7500%	0.2500%	0.0000%	0.0000%	2.3500%
Clinton	1.0000%	0.5000%	0.2500%	0.2000%	0.5000%	0.0000%	0.2000%	0.0000%	2.6500%
Crawford	0.7500%	0.4500%	0.2500%	0.0000%	0.0000%	0.0000%	0.2000%	0.0000%	1.6500%
Daviess	1.0000%	0.0000%	0.2500%	0.0000%	0.2500%	0.0000%	0.0000%	0.0000%	1.5000%
Dearborn	0.6000%	0.4000%	0.0000%	0.2000%	0.0000%	0.0000%	0.2000%	0.0000%	1.4000%
Decatur	1.2700%	0.2500%	0.2500%	0.0000%	0.0800%	0.6500%	0.0000%	0.0000%	2.5000%
DeKalb	1.0000%	0.2500%	0.2500%	0.1300%	0.5000%	0.0000%	0.0000%	0.0000%	2.1300%
Delaware	0.6000%	0.2500%	0.4000%	0.0000%	0.2500%	0.0000%	0.0000%	0.0000%	1.5000%



LIT – SBA LIT Distribution Amounts

Local Income Tax Distribution Amounts
Estimated CY 2024 Certified Distributions
Certified November 28, 2023

County Name	Expenditure: Certified Shares IC 6-3.6-6-10	Expenditure: Public Safety IC 6-3.6-6-8	Expenditure: Economic Development IC 6-3.6-6-9	Expenditure: LIT Correctional or Rehabilitation Facilities IC 6-3.6-6-2.7	Property Tax Relief IC 6-3.6-5	Special Purpose IC 6-3.6-7 ¹	Expenditure: Emergency medical services IC 6-3.6-6-2.8	Expenditure: Judicial System IC 6-3.6-6-2.9	Team Member and Race Team Member IC 6-3-2-2.7 and IC 6-3-2-3.2	Total
Adams	\$6,095,313	\$3,149,245	\$4,063,542	\$0	\$2,946,068	\$0	\$0	\$0	-	\$16,254,168
Allen	\$71,415,808	\$14,813,484	\$78,511,467	\$16,294,833	\$54,498,809	\$0	\$0	\$0	-	\$235,534,401
Bartholomew	\$37,114,057	\$1,484,562	\$7,422,811	\$5,938,249	\$0	\$0	\$0	\$0	-	\$51,959,679
Benton	\$2,385,430	\$596,358	\$596,358	\$0	\$691,775	\$0	\$0	\$0	-	\$4,269,921
Blackford	\$2,728,613	\$2,865,044	\$682,153	\$0	\$0	\$0	\$545,723	\$0	-	\$6,821,533
Boone	\$44,931,141	\$22,465,570	\$0	\$8,986,228	\$0	\$0	\$0	\$0	-	\$76,382,939
Brown	\$6,885,998	\$1,130,038	\$1,130,038	\$0	\$2,260,076	\$0	\$0	\$0	-	\$11,406,150
Carroll	\$9,201,750	\$507,046	\$845,076	\$1,126,768	\$1,126,768	\$0	\$0	\$0	-	\$12,807,408
Cass	\$8,502,806	\$4,251,403	\$2,125,702	\$1,700,561	\$8,502,806	\$0	\$0	\$0	-	\$25,083,278
Clark	\$35,138,444	\$7,379,073	\$8,784,611	\$0	\$17,569,222	\$0	\$1,405,538	\$0	-	\$70,276,888
Clay	\$6,354,579	\$2,224,103	\$0	\$0	\$4,765,934	\$1,588,645	\$0	\$0	-	\$14,933,261
Clinton	\$8,037,146	\$4,018,573	\$2,009,286	\$1,607,429	\$4,018,573	\$0	\$1,607,429	\$0	-	\$21,298,436
Crawford	\$1,547,555	\$928,533	\$515,852	\$0	\$0	\$0	\$412,681	\$0	-	\$3,404,621
Daviess	\$9,357,029	\$0	\$2,339,257	\$0	\$2,339,257	\$0	\$0	\$0	-	\$14,035,543
Dearborn	\$9,272,167	\$6,181,445	\$0	\$3,090,722	\$0	\$0	\$3,090,722	\$0	-	\$21,635,056
Decatur	\$9,024,941	\$1,776,563	\$1,776,563	\$0	\$568,500	\$4,619,064	\$0	\$0	-	\$17,765,631
DeKalb	\$15,712,315	\$3,928,079	\$3,928,079	\$2,042,601	\$7,856,157	\$0	\$0	\$0	-	\$33,467,231
Delaware	\$15,116,188	\$6,298,412	\$10,077,459	\$0	\$6,298,412	\$0	\$0	\$0	-	\$37,790,471



LIT – State Budget Agency

- The CY 2024 certified LIT totals are calculated based on the formula described in IC 6-3.6-9-4.
- Generally speaking, the LIT dollars being distributed in 2024 are based off the processed collections from July 1, 2022 through June 30, 2023.
- Notes:
 - The calculation above is a simplification of the process to certify the 2024 figures.
 - There are allowable adjustments outlined in statute.
 - Estimates may be used if actuals are not available.



LIT – DLGF

The DLGF serves two key functions with respect to LIT calculation and distribution process.

- 1) Review of pre-submission and official LIT ordinance and resolution submissions.
- 2) Calculation and distribution of Unit Level Reports for both CY Certified totals and Supplemental Distributions.



LIT – Comptroller’s Office

- The Comptroller’s Office is responsible for making monthly distributions to the county auditor’s offices for all except Property Tax Replacement. Distributions represent 1/12 of the SBA certified totals.
- Property Tax Replacement LIT will be distributed to counties in time for the Spring and Fall property tax settlements.
- The Comptroller’s Office will distribute supplemental distributions to qualifying counties in May.



LIT – County Auditor

- Reconciliation of monthly LIT received from the Comptroller’s Office with the DLGF Reports.
- Distributes:
 - Monthly LIT distributions.
 - Supplemental LIT distribution in May, where applicable.
 - Monthly LIT Levy Freeze distributions, where applicable.
- Submission of Ordinances for LIT Changes through Gateway’s Budget application.
- Work with Treasurer to convert Property Tax Relief LIT into “property taxes” for the June and December property tax settlement.



LIT – Local Units of Government

- Receipt:
 - Monthly LIT distributions, where applicable.
 - Supplemental LIT distribution in May, where applicable.
 - Monthly LIT Levy Freeze distributions, where applicable.
- Reconciliation
 - Make sure amounts match the monthly reports.



LIT – State Board of Accounts

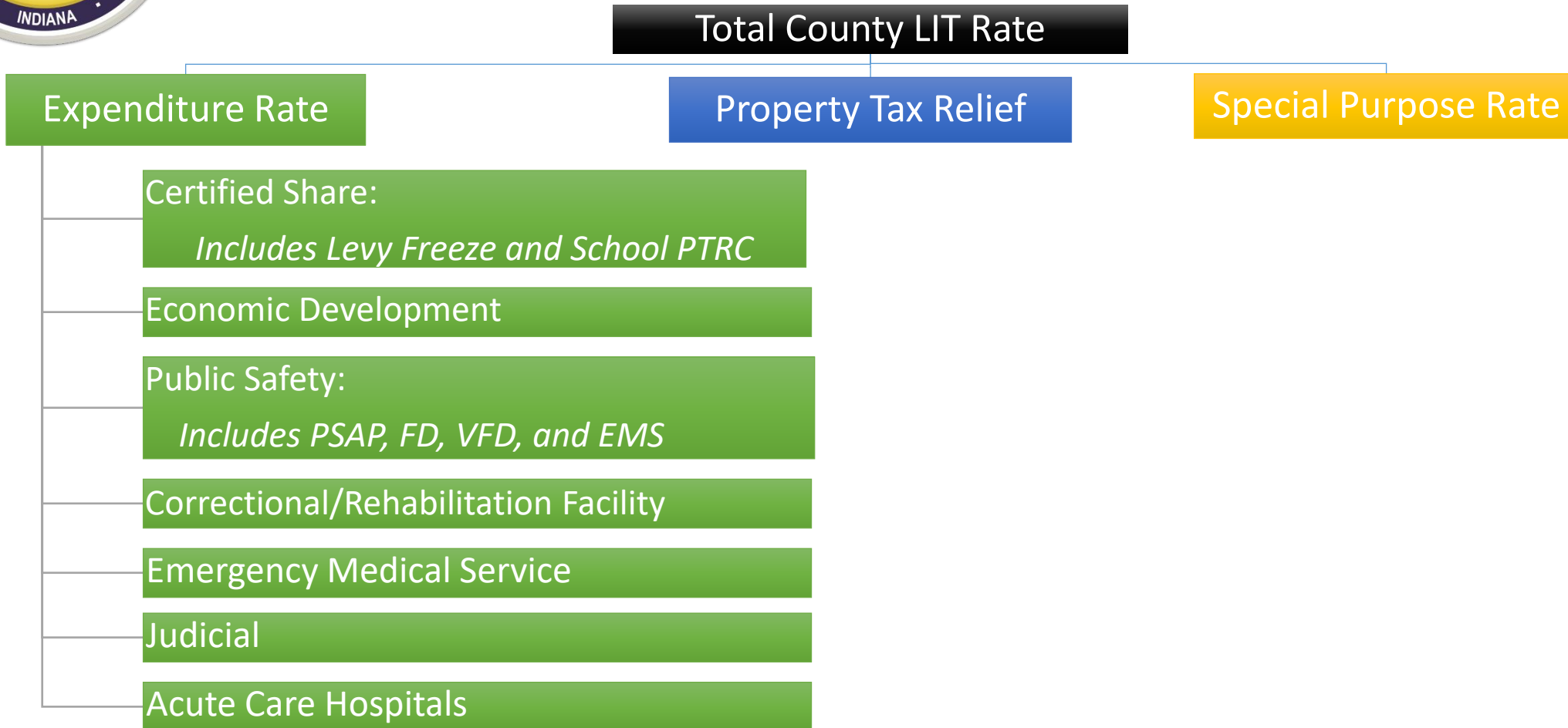
- SBOA is responsible for the development of the chart of accounts used by all unit types.
- SBOA will also audit units to determine that LIT distributions were handled in a manner consistent with statute and their accounting principals.
- SBOA provides support to units with questions about receipting and utilizing their LIT dollars.



Types of Local Income Tax



LIT Configuration





LIT Calculation by Type

The DLGF's calculation of the Certified Shares is based on IC 6-3.6-6-12.

Allocation Amount

- In former CAGIT counties, the first 0.25% of the expenditure rate revenue is distributed to all units **including** schools.
- The rest is then distributed to all units (except schools) as Certified Shares.

Attributed Allocation Amount

- In all counties with an adopted expenditure rate, certified shares are distributed to all units **excluding** schools.
- The county unit is adjusted to add in a historical welfare allocation.



Expenditure Rate

- County expenditure rate includes the following tax rate categories:
 - Certified Share
 - Economic Development
 - Public Safety
 - Correctional/Rehabilitation
 - EMS
 - Judicial
 - Acute Care Hospitals (effective July 1, 2024)
- IC 6-3.6-6-2 states that the county expenditure rate is collectively capped between the options above at 2.5% for all counties except for Marion which is capped at 2.75%.



LIT Calculation by Type

The DLGF's calculation of the Certified Shares is based on IC 6-3.6-6-12.

	SBA CY Certified Share Total
(minus)	"CAGIT"/School PTRC^{1,2}
(minus)	<u>LIT Levy Freeze</u>
	DLGF Certified Share Starting total

Note 1: School PTRC is only applied former CAGIT Counties

Note 2: School PTRC portion is equal to the first 0.25 of the county certified share rate.



LIT Calculation by type

Current Year Certified Levy

- Certified Levy Attributed to Debt Issued after June 30, 2005

+ Prior year Certified Shares

+/- Fire Territory Adjustment

= **Allocation Amount Calculation¹**

+ Welfare Allocation Amount²

Attributed Allocation Amount Calculation

Note 1: There is an adjustments made for certain units with a \$0 levy.

Note 2: The Welfare Allocation is applied to the county unit as per IC 6-3.6-2-18.

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2024 Local Income Tax Distributions
 Calculations based on SBA Certified Totals on December 4, 2023

County 07 Brown

Expenditure Rate - Certified Shares Revenue	6,885,998	Expenditure Rate - Public Safety Revenue	1,130,038	Expenditure Rate - Economic Development Revenue	1,130,038
Levy Freeze Revenue	2,365,847	PSAP Distribution	0		
IC 6-3.6-6-3(a)(2) Distribution	1,130,038	Public Safety Distribution	1,130,038		
Certified Shares Distribution	3,390,113				

<u>Unit</u>	<u>Expenditure Rate - Certified Shares</u> IC 6-3.6-6-3(a)(2) <u>Distribution</u>	<u>Certified Shares</u> <u>Distribution</u>	<u>Total Expenditure</u> <u>Rate - Certified</u> <u>Shares Distribution</u>	<u>Public Safety</u> <u>Distribution</u>	<u>Economic</u> <u>Development</u> <u>Distribution</u>
BROWN COUNTY	478,339	2,609,450	3,087,789	1,020,078	1,045,647
HAMBLEN TOWNSHIP	16,966	84,641	101,607	0	0
JACKSON TOWNSHIP	17,491	87,258	104,749	0	0
VAN BUREN TOWNSHIP	9,068	45,239	54,307	0	0
WASHINGTON TOWNSHIP	15,743	78,539	94,282	0	0
NASHVILLE CIVIL TOWN	56,384	281,288	337,672	109,960	84,391
BROWN COUNTY SCHOOL CORPORATION	495,216	0	495,216	0	0
BROWN COUNTY PUBLIC LIBRARY	28,772	143,538	172,310	0	0
HAMBLEN TOWNSHIP FIRE PROTECTION DIST	12,059	60,160	72,219	0	0
BROWN COUNTY SOLID WASTE MANAGEMENT	0	0	0	0	0
TOTAL:	1,130,038	3,390,113	4,520,151	1,130,038	1,130,038

In addition to the above distributions, below is the certified revenue to be generated by local income tax rates imposed within the county for the following purposes:

Property Tax Relief	2,260,076
---------------------	-----------

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2024 Local Income Tax Distributions
 Calculations based on SBA Certified Totals on December 4, 2023

County 21 Fayette

Expenditure Rate - Certified Shares Revenue	4,630,415	Expenditure Rate - Public Safety Revenue	0	Expenditure Rate - Economic Development Revenue	0
		PSAP Distribution	0		
IC 6-3.6-6-3(a)(2) Distribution	0	Public Safety Distribution	0		
Certified Shares Distribution	4,630,415				

<u>Unit</u>	<u>IC 6-3.6-6-3(a)(2) Distribution</u>	<u>Certified Shares Distribution</u>	<u>Total Expenditure Rate - Certified Shares Distribution</u>	<u>Public Safety Distribution</u>	<u>Economic Development Distribution</u>
FAYETTE COUNTY	0	1,967,763	1,967,763	0	0
COLUMBIA TOWNSHIP	0	2,389	2,389	0	0
CONNERSVILLE TOWNSHIP	0	32,195	32,195	0	0
FAIRVIEW TOWNSHIP	0	3,661	3,661	0	0
HARRISON TOWNSHIP	0	15,471	15,471	0	0
JACKSON TOWNSHIP	0	3,652	3,652	0	0
JENNINGS TOWNSHIP	0	3,501	3,501	0	0
ORANGE TOWNSHIP	0	3,663	3,663	0	0
POSEY TOWNSHIP	0	5,290	5,290	0	0
WATERLOO TOWNSHIP	0	2,196	2,196	0	0
CONNERSVILLE CIVIL CITY	0	2,373,494	2,373,494	0	0
GLENWOOD CIVIL TOWN	0	5,246	5,246	0	0
FAYETTE COUNTY SCHOOL CORPORATION	0	0	0	0	0
FAYETTE COUNTY PUBLIC LIBRARY	0	211,894	211,894	0	0

In addition to the above distributions, below is the certified revenue to be generated by local income tax rates imposed within the county for the following purposes:

Property Tax Relief	5,186,064	Special Purpose	1,157,604
Jail LIT	926,083		



LIT Calculation by Type

- The DLGF's calculation of the Economic Development is based on IC 6-3.6-6-9.
- Economic Development is distributed to counties, cities, and towns.
- Counties may opt to have economic development distributed based on certified levy or based on population.

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2024 Local Income Tax Distributions
 Calculations based on SBA Certified Totals on December 4, 2023

County 05 Blackford

Expenditure Rate - Certified Shares Revenue	2,728,613	Expenditure Rate - Public Safety Revenue	2,865,044	Expenditure Rate - Economic Development Revenue	682,153
		PSAP Distribution	272,861		
IC 6-3.6-6-3(a)(2) Distribution	682,153	Public Safety Distribution	2,592,183		
Certified Shares Distribution	2,046,460				

<u>Unit</u>	<u>IC 6-3.6-6-3(a)(2) Distribution</u>	<u>Certified Shares Distribution</u>	<u>Total Expenditure Rate - Certified Shares Distribution</u>	<u>Public Safety Distribution</u>	<u>Economic Development Distribution</u>
BLACKFORD COUNTY	260,950	1,049,275	1,310,225	1,511,184	392,537
HARRISON TOWNSHIP	5,446	20,335	25,781	0	0
JACKSON TOWNSHIP	9,077	33,891	42,968	0	0
LICKING TOWNSHIP	16,886	63,047	79,933	0	0
WASHINGTON TOWNSHIP	2,412	9,006	11,418	0	0
HARTFORD CITY CIVIL CITY	160,272	598,405	758,677	861,835	226,894
DUNKIRK CIVIL CITY	1,487	5,552	7,039	7,996	2,086
MONTPELIER CIVIL CITY	36,505	136,296	172,801	196,296	56,959
SHAMROCK LAKES CIVIL TOWN	2,766	10,326	13,092	14,872	3,677
BLACKFORD COUNTY SCHOOL CORPORATION	153,241	0	153,241	0	0
JAY COUNTY SCHOOL CORPORATION	883	0	883	0	0
HARTFORD CITY PUBLIC LIBRARY	25,041	93,494	118,535	0	0
MONTPELIER PUBLIC LIBRARY	7,002	26,143	33,145	0	0
DUNKIRK PUBLIC LIBRARY	185	690	875	0	0



LIT Calculation by Type

- The DLGF's calculation of the Public Safety is based on IC 6-3.6-6-8.

(minus) **SBA CY Public Safety Total**
PSAP Allocation
DLGF Public Safety Starting total

- The county may reduce the public safety distributions from the DLGF Certified LIT report to account for portions earmarked for Fire Departments, Volunteer Fire Departments, EMS, Fire Territories, and Townships as allowed by IC 6-3.6-6-8.



LIT Calculation by Type

- The DLGF's calculation of the public safety shares is based on IC 6-3.6-6-8.
- In former CAGIT counties, public safety is distributed to counties, cities, and towns proportionally using the **Attributed Allocation Amount** method.
- In former COIT counties, public safety is distributed to counties, cities, and towns proportionally using the **certified levy** method.

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2024 Local Income Tax Distributions
 Calculations based on SBA Certified Totals on December 4, 2023

County 07 Brown

Expenditure Rate - Certified Shares Revenue	6,885,998	Expenditure Rate - Public Safety Revenue	1,130,038	Expenditure Rate - Economic Development Revenue	1,130,038
Levy Freeze Revenue	2,365,847	PSAP Distribution	0		
IC 6-3.6-6-3(a)(2) Distribution	1,130,038	Public Safety Distribution	1,130,038		
Certified Shares Distribution	3,390,113				

<u>Unit</u>	<u>IC 6-3.6-6-3(a)(2) Distribution</u>	<u>Expenditure Rate - Certified Shares Distribution</u>	<u>Certified Shares Distribution</u>	<u>Total Expenditure Rate - Certified Shares Distribution</u>	<u>Public Safety Distribution</u>	<u>Economic Development Distribution</u>
BROWN COUNTY	478,339	2,609,450	3,087,789	1,020,078	1,045,647	
HAMBLEEN TOWNSHIP	16,966	84,641	101,607	0	0	
JACKSON TOWNSHIP	17,491	87,258	104,749	0	0	
VAN BUREN TOWNSHIP	9,068	45,239	54,307	0	0	
WASHINGTON TOWNSHIP	15,743	78,539	94,282	0	0	
NASHVILLE CIVIL TOWN	56,384	281,288	337,672	109,960	84,391	
BROWN COUNTY SCHOOL CORPORATION	495,216	0	495,216	0	0	
BROWN COUNTY PUBLIC LIBRARY	28,772	143,538	172,310	0	0	
HAMBLEEN TOWNSHIP FIRE PROTECTION DIST	12,059	60,160	72,219	0	0	
BROWN COUNTY SOLID WASTE MANAGEMENT	0	0	0	0	0	
TOTAL:	1,130,038	3,390,113	4,520,151	1,130,038	1,130,038	

In addition to the above distributions, below is the certified revenue to be generated by local income tax rates imposed within the county for the following purposes:

Property Tax Relief	2,260,076
---------------------	-----------

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2024 Local Income Tax Distributions
 Calculations based on SBA Certified Totals on December 4, 2023

County 01 Adams

Expenditure Rate - Certified Shares Revenue	6,095,313	Expenditure Rate - Public Safety Revenue	3,149,245	Expenditure Rate - Economic Development Revenue	4,063,542
		PSAP Distribution	203,177		
IC 6-3.6-6-3(a)(2) Distribution	0	Public Safety Distribution	2,946,068		
Certified Shares Distribution	6,095,313				

<u>Unit</u>	<u>IC 6-3.6-6-3(a)(2) Distribution</u>	<u>Expenditure Rate - Certified Shares Certified Shares Distribution</u>	<u>Total Expenditure Rate - Certified Shares Distribution</u>	<u>Public Safety Distribution</u>	<u>Economic Development Distribution</u>
ADAMS COUNTY	0	3,469,618	3,469,618	1,782,660	2,606,555
BLUE CREEK TOWNSHIP	0	7,576	7,576	0	0
FRENCH TOWNSHIP	0	8,627	8,627	0	0
HARTFORD TOWNSHIP	0	9,944	9,944	0	0
JEFFERSON TOWNSHIP	0	6,668	6,668	0	0
KIRKLAND TOWNSHIP	0	16,635	16,635	0	0
MONROE TOWNSHIP	0	29,180	29,180	0	0
PREBLE TOWNSHIP	0	9,750	9,750	0	0
ROOT TOWNSHIP	0	22,957	22,957	0	0
ST. MARYS TOWNSHIP	0	12,984	12,984	0	0
UNION TOWNSHIP	0	17,906	17,906	0	0
WABASH TOWNSHIP	0	20,152	20,152	0	0
WASHINGTON TOWNSHIP	0	7,505	7,505	0	0
DECATUR CIVIL CITY	0	1,272,258	1,272,258	764,208	957,051

In addition to the above distributions, below is the certified revenue to be generated by local income tax rates imposed within the county for the following purposes:

Property Tax Relief	2,946,068
---------------------	-----------

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2024 Local Income Tax Distributions
 Calculations based on SBA Certified Totals on December 4, 2023 (Amended 2024-03-28)

County 29 Hamilton

Expenditure Rate - Certified Shares Revenue	233,998,470	Expenditure Rate - Public Safety Revenue	23,399,847	Expenditure Rate - Economic Development Revenue	0
		PSAP Distribution	23,399,847		
IC 6-3.6-6-3(a)(2) Distribution	0	Public Safety Distribution	0		
Certified Shares Distribution	233,998,470				

<u>Unit</u>	<u>Expenditure Rate - Certified Shares</u> IC 6-3.6-6-3(a)(2) <u>Distribution</u>	<u>Certified Shares</u> <u>Distribution</u>	<u>Total Expenditure</u> <u>Rate - Certified</u> <u>Shares Distribution</u>	<u>Public Safety</u> <u>Distribution</u>	<u>Economic</u> <u>Development</u> <u>Distribution</u>
HAMILTON COUNTY	0	65,373,170	65,373,170	0	0
ADAMS TOWNSHIP	0	340,086	340,086	0	0
CLAY TOWNSHIP	0	3,853,683	3,853,683	0	0
DELAWARE TOWNSHIP	0	619,976	619,976	0	0
FALL CREEK TOWNSHIP	0	861,027	861,027	0	0
JACKSON TOWNSHIP	0	822,378	822,378	0	0
NOBLESVILLE TOWNSHIP	0	1,029,950	1,029,950	0	0
WASHINGTON TOWNSHIP	0	983,275	983,275	0	0
WAYNE TOWNSHIP	0	323,998	323,998	0	0
WHITE RIVER TOWNSHIP	0	323,033	323,033	0	0
CARMEL CIVIL CITY	0	56,698,806	56,698,806	0	0
NOBLESVILLE CIVIL CITY	0	30,777,759	30,777,759	0	0
ARCADIA CIVIL TOWN	0	437,004	437,004	0	0
ATLANTA CIVIL TOWN	0	139,508	139,508	0	0



Other Expenditure LIT Types

- Correctional/Rehabilitation Facility (IC 6-3.6-6-2.7)
 - Used by the county only for paying for correctional facilities and rehabilitation facilities in the county.
 - Max Rate: 0.2% or 0.3%
- Emergency Medical Service (IC 6-3.6-6-2.8)
 - Used by the county only for paying for operating costs incurred by the county for emergency medical services that are provided throughout the county.
 - Max Rate: 0.2%
- Judicial (IC 6-3.6-6-2.9)
 - Used by the county only for paying county staff expenses of the state judicial system in the county
 - Max Rate: 0.2%
- Acute Care Hospitals (IC 6-3.6-6-2.6)
 - Effective July 1, 2024
 - Used by the county only for paying for operating expenses of an acute care hospital in the county
 - Max Rate: 0.1%



Property Tax Relief

- “Buys down” the property tax bill of taxpayers with property types that are chosen to receive this credit.
- Applied to tax bills prior to the application of circuit breaker credits.
- This is received by the units of government as “property taxes” in their June and December settlement from the county auditor.



Property Tax Relief

- IC 6-3.6-5-6 states that the property tax relief cannot exceed 1.25%.
- In addition to selecting a rate, the county must identify how the relief will be applied:
 - (1) Homesteads Properties (1%)
 - (2) Residential property, long term care property, agricultural land, and other tangible property (2%)
 - (3) Nonresidential real property, personal property, and other tangible property (3%)
 - (4) For residential property (IC 6-1.1-20.6-4)



Special Purpose Rate

- 21 counties have a special purpose rate that is available to them by virtue to statutes enacted under IC 6-3.6-7 that allows them to adopt a LIT rate with a predefined reason, maximum rate, and duration.
- The special purpose rate cap is based on the statute for each specific county.



LIT – Adoption Timing



LIT Adoption Timetable

- IC 6-3.6-3-3 identifies when the LIT ordinances will go into effect based on when they are adopted.
- If a rate change is adopted:

Adoption Date	Rate Change Effective Date
Jan. 1, 2024 – Aug. 31, 2024	Oct. 1, 2024
Sept. 1, 2024 – Oct. 31, 2024	Jan. 1, 2025
Nov. 1, 2024 – Dec. 31, 2024	Oct. 1, 2025



LIT Adoption Timetable

- IC 6-3.6-3-3 identifies when the LIT ordinances will go into effect based on when they are adopted.
- If a distribution change is adopted:

Ordinance Adoption Date	Distribution Change Eff. Date
Jan. 1, 2024 – Nov. 1, 2024	Jan. 1, 2025
Nov. 2, 2024 – Dec. 31, 2024	Jan. 1, 2026



LIT Adoption Timetable

IC 6-3.6-3-4 mentions that:

- Except for a tax rate that has an expiration date, a tax rate remains in effect until the effective date of an ordinance that increases, decreases, or rescinds that tax rate.
- A tax rate may not be changed more than once each year.



LIT – Supplemental Distribution



LIT Supplemental Distribution

- County qualification for the supplemental distribution is based on IC 6-3.6-9-15(a):
 - (a) If the budget agency determines that the balance in a county trust account exceeds fifteen percent (15%) of the certified distributions to be made to the county in the determination year, the budget agency shall make a supplemental distribution to the county from the county's trust account. The budget agency shall use the trust account balance as of December 31 of the year that precedes the determination year by two (2) years.



Supplemental Distribution Timeline

May 1	SBA will provide the county totals for qualifying counties to the DLGF. <i>(IC 6-3.6-9-15)</i>
May 15	The DLGF will calculate and post the unit level calculations to the DLGF website for all counties. <i>(IC 6-3.6-9-15)</i>
May 31	The county auditor will distribute the Supplement LIT funds to each applicable unit within the county. <i>(IC 6-3.6-9-15)</i>



LIT Supplemental Distribution

- SBA County informational Reports are posted by February 15
 - <https://www.in.gov/sba/budget-information/local-income-tax-data/county-informational-reports/>
- This report details:
 - Processed collections for the prior fiscal year
 - Detailed distributions for the current year
 - Detailed tax rates for the current year
 - Calculation of excess balance under IC 6-3.6-9-15*
- **The excess balance calculation determines if a county is eligible for a supplemental distribution in May of the current year.*



LIT Supplemental County Eligibility

- This report calculates if the county is eligible for a supplemental distribution in May.
 - Begin with the ending cash balance from 2 years ago
 - Subtract the prior year supplemental distribution
 - Subtract 15% of the current year “certified distributions after adjustments”
 - If this amount is greater than \$0, the county will receive a supplemental LIT distribution.

1)	Calculation of excess balance under IC 6-3.6-9-15***	
2)	Trust account balance for December 31, 2022	\$ 8,989,899
3)	<i>(Less): Estimated distributions in CY2023 (Not included in Trust balance 2022)</i>	\$ (2,483,089)
	Adjusted Trust account balance for December 31, 2022	\$ 6,506,810
	<i>(Less): 15% of Certified Distribution for CY 2024</i>	\$ (2,438,125)
4)	Excess account balance to be distributed on May 1st pursuant to IC 6-3.6-9-15***	\$ 4,068,685

SBA Source: [CY 2024 County Informational Report 02-15-2024](#)



LIT Supplemental Distribution

- The DLGF will calculate the unit level breakdown for the supplemental distribution based on IC 6-3.6-9-15(d)(3)(A)&(B).
- (2) The Department of Local Government Finance shall determine for the county and each taxing unit within the county:
- (A) the amount and allocation of the supplemental distribution attributable to the taxes that were imposed as of December 31 of the trust account balance year, including any specific distributions for that year; and
 - (B) the amount of the allocation for each of the purposes set forth in this article, using the allocation percentages in effect in the trust account balance year.

STATE OF INDIANA
INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

2023 Supplemental Local Income Tax Distributions
 Calculations based on SBA Certified Totals on May 2, 2023

County 01 Adams

Expenditure Rate - Certified Shares Revenue	917,397	Expenditure Rate - Public Safety Revenue	382,249	Expenditure Rate - Economic Development Revenue	611,598
		PSAP Distribution	0		
IC 6-3.6-6-3(a)(2) Distribution	0	Public Safety Distribution	382,249		
Certified Shares Distribution	917,397				

<u>Unit</u>	<u>Expenditure Rate - Certified Shares</u>		<u>Total Expenditure Rate - Certified Shares Distribution</u>	<u>Public Safety Distribution</u>	<u>Economic Development Distribution</u>
	<u>IC 6-3.6-6-3(a)(2) Distribution</u>	<u>Certified Shares Distribution</u>			
ADAMS COUNTY	0	526,365	526,365	230,884	394,478
BLUE CREEK TOWNSHIP	0	1,160	1,160	0	0
FRENCH TOWNSHIP	0	1,283	1,283	0	0
HARTFORD TOWNSHIP	0	1,630	1,630	0	0
JEFFERSON TOWNSHIP	0	1,150	1,150	0	0
KIRKLAND TOWNSHIP	0	2,495	2,495	0	0
MONROE TOWNSHIP	0	3,112	3,112	0	0
PREBLE TOWNSHIP	0	1,535	1,535	0	0
ROOT TOWNSHIP	0	3,603	3,603	0	0
ST. MARYS TOWNSHIP	0	1,933	1,933	0	0
UNION TOWNSHIP	0	2,194	2,194	0	0
WABASH TOWNSHIP	0	2,999	2,999	0	0
WASHINGTON TOWNSHIP	0	1,682	1,682	0	0
DECATUR CIVIL CITY	0	189,368	189,368	99,058	142,090

In addition to the above distributions, below is the certified revenue to be generated by local income tax rates imposed within the county for the following purposes:

Property Tax Relief	571,844
---------------------	---------



Frequently Asked Questions



Frequently Asked Question #1

- My levy increased due to a new debt, but why didn't my LIT Certified Shares distribution increase?
- *The Allocation Amount and Attributed Allocation Amount used to proportionally allocation LIT Certified Shares does not include any property taxes attributable to debt issued after 6/30/2005. (Slide 29)*



Frequently Asked Question #2

- My property tax levy is roughly the same as last year, why did my LIT Certified Shares distribution go down?
 1. *Compare the total amount of LIT Certified Shares between this year and last year. Did the total decrease?*
 2. *Did you have a debt issued by 6/30/2005 that was paid off and wasn't a part of last year's property tax levy?*
 3. *Did a new fire territory begin collecting property taxes last year?*
 4. *Was a new referendum passed in the county that caused an increase in taxes last year?*
 5. *Was there some other increase in levy for another unit of government last year that was not attributed to new debt?*



Frequently Asked Question #3

- My certified levy is zero, why am I still receiving a LIT distribution?
- *The Allocation Amount and Attributed Allocation Amount used to proportionally allocation LIT Certified Shares includes the prior year LIT Certified Shares distribution. Even if the levy drops to zero, the prior year LIT amount would still be greater than zero. (Slide 29)*



Frequently Asked Question #4

- Last year, the county adopted a new Economic Development LIT and I'm now receiving distributions for this each month. I noticed that my Supplemental LIT distribution is missing an amount for Economic Development. Why is this?
- *The supplemental distribution is statutorily required to use the allocation percentages in effect in the trust account balance year. The trust account balance year is from two years prior to the current year. If a new LIT went into effect last year, it was not present two years ago and will not receive any of the supplemental distribution. (Slide 52)*



Resources

- We are your #1 contact at the Department.
- We are here to answer questions.
- We can help explain changes in procedures.
- We can help you avoid common mistakes and, in some cases, help correct those mistakes.
- <https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf>

Budget Field Representative County Assignments

Budget Field Reps Field Rep

Anna Culy
317-864-6950
ACuly@dlgf.in.gov

Cathy Stockhoff
317-727-9622
CStockhoff@dlgf.in.gov

George Helton
317-650-5254
ghelton@dlgf.in.gov

Judy Robertson
317-650-2508
jrobertson@dlgf.in.gov

Miranda Bucy
317-650-6848
mbucy@dlgf.in.gov

Robert Norris
317-650-3932
ronorris@dlgf.in.gov

Ryan Burke
317-719-3546
rburke@dlgf.in.gov

Sam VanderVeen
317-430-8678
SVanderVeen@dlgf.in.gov

Tina Market
317-677-4655
tmarket@dlgf.in.gov

Vicky Neeley
317-607-7524
vneeley@dlgf.in.gov

Wayne Hudson
317-650-4444
whudson@dlgf.in.gov





Contact the Department

- Website: www.in.gov/dlgf
 - “Contact Us”: <https://www.in.gov/dlgf/contact-us/>
- Budget Field Representative Map:
 - <https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf>
- Gateway Support: Support@dlgf.in.gov
- Telephone: (317) 232-3777