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MOTOR VEHICLE HIGHWAY DISTRIBUTION FORMULA

Motor Vehicle Highway distributions are made monthly to the Indiana Department of Transportation, counties, cities and towns in the following manner.

REVENUE SOURCES:

- 75% of 14 cents of the Gasoline Tax after the first $25 million less fuel tax refunds
- 75% of Special Fuel Tax after the first $25 million less fuel tax refunds
- 45.5% of Motor Carrier Surtax
- Motor Carrier Fund fiscal yearend balance exceeding $500,000
- Vehicle registration and title fees (excluding 1969 increase)
- Drivers' license fees and defensive driver school fees
- 40% of the amount deposited to the motor vehicle odometer fund
- Abandoned vehicle fund fiscal yearend balance exceeding $20,000
- $3.6 million of the state's share of court cost
- 1% of State Sales Tax

EXPENSES:

- Motor Vehicle Highway Fund audit cost
- Railroad Crossing Improvement

AMOUNT AVAILABLE FOR DISTRIBUTIONS:

Equals monthly revenues less monthly expenses.

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MOTOR VEHICLE HIGHWAY DISTRIBUTION FORMULA
(Continued)

ADJUSTMENTS TO THE AMOUNT AVAILABLE FOR DISTRIBUTIONS:

Indiana statute and state budget adjustments are made to the amount available for distribution before distributions are made to the Indiana Department of Transportation (INDOT), counties, cities and towns.

Adjustment that reduces the amount distributed to the **INDOT**, **counties**, **cities and towns**:

Covered Bridge Distribution IC 8-14-1-10

Adjustment that reduces the amount distributed to **counties**:

County Engineer Distribution IC 8-17-5-8 & 11.1

Adjustments that reduce the amount distributed to **counties**, **cities and towns**:

Local Assistance Expenses IC 8-14-1-3(6), IC 8-23-2-5(6)
LTAP Budget IC 8-14-1-3(6), IC 8-23-2-5(7)
Access Road construction IC 8-23-5-7

DISTRIBUTION OF THE AMOUNT AVAILABLE AFTER ADJUSTMENTS:

Motor Vehicle Highway distributions are made monthly as follows:

53% of the amount available for distribution less adjustments is distributed to the **INDOT**

15% of the amount available for distribution less adjustments, plus 31.915% of one cent of the gasoline tax is distributed to **Cities and Towns**

The amount distributed to Cities and Towns is allocated on the basis of population (Fire Special Service district population used for City of Indianapolis distribution)

32% of the amount available for distribution less adjustments, plus 68.085% of one cent of the gasoline tax is distributed to **Counties**

The amount distributed to Counties is allocated as follows:

5% equally, 65% road mileage basis and **30% <u>total</u> vehicle registrations** basis

PERMISSIBLE USES:

Motor Vehicle Highway distributions can be used by counties, cities and towns for the expenses of highway and street departments, construction, maintenance and reconstruction cost of streets and roads, and equipment purchases. Cities and towns can use a portion of the distribution for public safety expenditures

LOCAL ROAD AND STREET DISTRIBUTION FORMULA

Local Road and Street distributions are made monthly to the Indiana Department of Transportation, counties, cities and towns from the following revenue sources and in the following manner:

REVENUE SOURCES:

- 25% of 14 cents of the Gasoline Tax after the first $25 million
- 25% of Special Fuel Tax after the first $25 million
- 1969 increase in vehicle registration and title fees.

DISTRIBUTION PERCENTAGES:

- 55% to the Indiana Department of Transportation
- 45% to Counties, Cities and Towns

DISTRIBUTION METHOD:

The Counties, Cities and Towns distribution calculation is a **two step process**.

Step one determines the county **total allocation** for each county on the basis of **passenger car registrations**.

Step two allocates each county total allocation between the county and the cities and towns within the county as follows:

A county with a <u>population</u> of <u>more than 50,000</u> the distribution is calculated as follows:

- **60%** of the county total allocation calculated in Step one is allocated on the basis of **population**.
  (Fire Special Service district population used for City of Indianapolis distribution)

- **40%** of the county total allocation calculated in Step one is allocated on the basis of **road and street mileage**.

A county with a <u>population</u> of <u>50,000 or less</u> the distribution is calculated as follows:

- **20%** of the county total allocation calculated in Step one is allocated on the basis of **population.**

- **80%** of the county total allocation calculated in Step one is allocated on the basis of **road and street mileage**.

PERMISSIBLE USES:

Local Road and Street distributions can be used by counties, cities and towns for construction, maintenance and reconstruction cost of streets and roads, engineering, land acquisitions, and equipment.

MOTOR VEHICLE HIGHWAY ACCELERATED #1 AND #2 FORMULA

The Motor Vehicle Highway Accelerated #1 and #2 distribution formulas distribute:

- The first $25 million of 14 cents of the gasoline tax and
- The first $25 million of special fuel tax
- Collected after July 1 of each year.

Currently, it takes two months to collect the total $50 million of fuel taxes. The Motor Vehicle Highway Accelerated #1 and #2 distributions are made in the months of August and September.

After the first $50 million of fuel taxes have been collected and distributed with the Motor Vehicle Highway Accelerated #1 and #2 distribution formulas, then

- 75% of 14 cents of the gasoline tax and 75% of the special fuel tax is distributed monthly through the motor vehicle highway distribution formula and
- 25% of 14 cents of the gasoline tax and 25% of the special fuel tax is distributed monthly through the local road and street distribution formula.

REVENUE SOURCES:

- The first $25 million of 14 cents of the gasoline tax and
- The first $25 million of special fuel tax
- Collected after July 1 of each year

DISTRIBUTION PERCENTAGES:

- ♦ 40% to the Indiana Department of Transportation ($20 million)
- ♦ 60% to Counties, Cities and Towns ($30 million)

DISTRIBUTION METHOD:

MOTOR VEHICLE HIGHWAY ACCELERATED #1 (MVH#1)

$15 million is distributed to Counties, Cities and Towns using the Local Road and Street distribution formula.

(Fire Special Service district population used for City of Indianapolis distribution)

MOTOR VEHICLE HIGHWAY ACCELERATED #2 (MVH#2)

$15 million is distributed to Counties, Cities and Towns using the Motor Vehicle Highway distribution formula.

(Fire Special Service district population used for City of Indianapolis distribution)

PERMISSIBLE USES:

MVH #1 and MVH #2 permissible uses are the same as Motor Vehicle Highway distributions.

CIGARETTE TAX DISTRIBUTION

Cigarette taxes are allocated as follows;

0.6% to the mental health centers fund
54.5% to the state general fund
5.43% to the pension relief fund established by IC 5-10.3-11
27.05% to the Indiana check-up plan trust fund established by IC 12-15-44-2-17
2.46% to the state general fund for Medicaid current obligations appropriations
5.74% to the retiree health benefit trust fund established by IC 5-10-8-8.5
4.22% to the cigarette tax fund

The 4.22% deposited to the cigarette tax fund is allocated 1/6 to the department of natural resources, 1/6 to the clean water Indiana fund and 2/3 to be distributed each June and December to cities and towns on the basis of population. The population used for the City of Indianapolis distribution is the Fire Special Service district population.

3/14 of the 2/3 allocated to cities and towns is distributed to cities and towns for deposit in the city or town's general fund.

The remaining 11/14 of the 2/3 allocated to cities and towns is distributed to cities and towns for deposit in the city or town's cumulative capital improvement fund, except for the City of Indianapolis and the cities and towns in Marion County. The City of Indianapolis' cumulative capital improvement fund allocation plus all other Marion County city and town cumulative capital improvement fund allocations are distributed to the Marion County Treasurer. At each June and December distribution the Marion County Treasurer distributes the first $175,000 to the capital improvement bond fund and the remainder to the City of Indianapolis department of transportation.

ALCOHOLIC BEVERAGE GALLONAGE TAX DISTRIBUTION

Fifty percent of the alcoholic beverage gallonage tax collected by the state is distributed quarterly to cities and towns on the basis of population. (Consolidated city population is used for the City of Indianapolis distribution.) The quarterly distributions are made in January, April, July and October.

The amount distributed to cities and towns is general fund revenue for cities and towns.