

# What is the abstract?

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## What is the Abstract?

- According to IC 6-1.1-22-5 the abstract is:  
On or before March 15 of each year, the county auditor shall prepare and deliver to the Auditor of State and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflect the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing district at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies. The Auditor of State, county auditor and the county treasurer shall each keep a copy of the abstract in his or her office as a public record.

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## What is the Abstract?

- In plain English the Abstract is:
  - A summary report of the current and delinquent taxes charged in the current payable year
  - And because it is a summary report the Abstract is the sum total of the initial property tax statements issued in the current payable year

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## Topics

- Credit Rate Calculation Worksheets
- Abstract Data Entry
  - Section 1
    - TIF Data Entry
      - TIF Referendum
      - TIF City and Town Annexation
      - TIF Fire Districts
    - Values, Deductions and Exemptions
  - Section 5
    - Credit Rate Entry

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## Topics - continued

- Review Area
- Sections 2-4
- Test for possible Circuit Breaker Credit
- Checklist Completion
- Verify current Abstract Delinquent Taxes to previous December Settlement
- Printing

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## ABSTRACT BEGINNINGS

- DLGF Enters Taxing District Names, Tax Rates, COIT HSC Rates
- DLGF Sends Abstract to State Auditor
- State Auditor enters any Abated/Phase-In Rates

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## Local Credit Rate Calculation Worksheets

- State Auditor will start Credit Rate Calculation Worksheet(s) – Currently 59 counties have some type of Local Credit Rate for property tax relief
- Auditor of State will load taxing district names, taxing district rates and current year distribution amount sent to county
- County enters net values (including mobile homes) and fund balance as of previous year December Settlement
  - Balance as of December Settlement means the fund balance after the fund has had the December Settlement transaction posted. This could be either a quietus or disbursement to the fund.
- Auditor of State will verify net assessed values and fund balances. Your system should generate Net Assessed Value, Net HSC Value and Net Residential Value reports. Depending on the type of Credit(s) your county has will determine the report type that needs to be submitted with the rate calculation worksheet.

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## Local Credit Rate Calculation Worksheets

- Rate calculation worksheets are completed in the following order:
  - LOIT PTRC
  - LOIT HSC
  - LOIT Residential PTRC
  - CREDIT HSC – If total HSC rate is over 100%, the CREDIT RATE is adjusted to ensure the total rate does not exceed 100%.
- State Auditor will enter Credit Rates in the abstract

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## Abstract Section 1

- TIF Data
  - Enter in Taxing District Order
  - Include DLGF Taxing District Code (number) in the description
  - Entering Tax Rates and Credit Rates
    - TIF – Referendum Funds
      - HEA 1313-2011 added new sections providing that for taxes first due and payable in 2012 or a subsequent year, if a referendum conducted after April 30, 2010 approves the imposition of property taxes in an allocation area (as defined in IC 6-1.1-21.2-3) to benefit a taxing unit for which the referendum was held, the county auditor must distribute these proceeds to that unit.
    - TIF – Annexation
      - IC 36-7-14-3.5 a County TIF District does not receive increment taxes from city/town rates if the annexation occurred after the creation of the County TIF District
    - TIF – Fire District
      - IC 36-7-14-1.5 a TIF District does not receive increment taxes from a Fire District when the Fire District was implemented after the creation of the TIF District
  - In the above three scenarios when entering the TIF Rate in the Abstract Section 4, Column 25 it must be reduced by the applicable Referendum Rate, Annexation Rate and/or Fire District Rate. Next you will enter the applicable Referendum Rate, Annexation Rate and/or Fire District rate in the appropriate fund column on the TIF District line.

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## Abstract Section 1

- Entry of Values, Deductions & Exemptions
  - All values are entered as a positive amount EXCEPT for the TIF Values in Section 1 Columns 17 & 28 in the TIF District lines. These and only these amounts are entered as a negative.
- Net HSC Values – Column 32
- Net Residential PTRC Values – Column 33

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## Abstract Section 5

- Grand Total Current Taxes (includes Statement Processing Fees & Late Assessment Penalties)
- Tax Credits
  - Entering Rates for Local Credit Rates (enter as percent)
- Circuit Breaker
- Delinquent Taxes (includes mobile homes)

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## Abstract NEW Columns Section 1 & 5

- IC 20-42-3 Other Property Tax Credits are local credits given to the taxpayer that are not funded by Local Option Taxes
- Section 1, Column 34 – Other Property Tax Credit Basis
- Section 5, Column 16 – Less Other Property Tax Credits

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## Abstract Review Area

- Grand Total Current Taxes
  - If difference is more than rounding, check the following:
    - Verify Data Entry in Section 1
    - Verify Entry of Grand Total Current Taxes
      - This includes the Statement Processing Fees and Late Assessment Penalties
    - Verify TIF Grand Total Current Taxes were calculated and entered correctly

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## Abstract Review Area Continued

- Credits
  - If difference is more than rounding check the following:
    - Rates entered correctly
    - Rates entered in percent format and not in decimal format
      - Percent format: 12.1432
      - Decimal format: .121432
    - Values entered in section 1, columns 32, 33 & 34 do not include mobile homes
- Rounding to General Fund

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## Abstract Sections 2-4

- Amounts apportioned to funds are post circuit breaker. In other words Circuit Breaker is already removed from fund amounts.
- Relating Section 2-4 amounts to Budget Order Certified Levy

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## Helpful Hints Prior to Submission

- Balance with System Reports
  - Balance Grand Total Line for every column with the Grand Total Line for every column with your system report
  - Balance Section 1 through 5 Totals for every taxing district with the taxing district Section 1 through 5 Totals with your system report
- Verify there are NO negative amounts in any Total Columns of Abstract

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## Helpful Hints Prior to Submission

- Balancing with Credit Rate Calculation Worksheets
  - Values
    - The Total Net Taxable Assessed Value in Section 1 Column 30 must be less than the Net Assessed Values on the LOIT PTRC Rate Calculation Worksheet
    - The Net HSC Values in Section 1 Column 32 must be less than the Net HSC Values on the LOIT HSC Rate Calculation Worksheet and the Net HSC Values on the CEDIT HSC Rate Calculation Worksheet
    - The Net Residential Values in Section 1 Column 33 must be less than the Net Residential Values on the LOIT Residential PTRC Worksheet

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## Helpful Hints Prior to Submission

- Balancing with Credit Rate Calculation Worksheets
  - Credit Dollars
    - The amount of LOIT PTRC in Section 5, Column 10 of the abstract must be less than the amount of LOIT PTRC dollars on the Rate Calculation worksheet (Total LOIT money available for LOIT PTRC)
    - The amount of LOIT HSC in Section 5, Column 14 of the abstract must be less than the amount of LOIT HSC dollars on the LOIT HSC Rate Calculation worksheet (Total LOIT Money available for LOIT HSC)
    - The amount of LOIT Res PTRC in Section 5, Column 15 of the abstract must be less than the amount of LOIT Res PTRC dollars on the LOIT Res PTRC Rate Calculation worksheet (Total LOIT money available for LOIT Residential PTRC)
    - The amount of CEDIT HSC in Section 5, Column 12 of the abstract must be less than the amount of CEDIT HSC dollars on the CEDIT HSC Rate Calculation worksheet (Total CEDIT money available for CEDIT HSC)

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## Helpful Hints Prior to Submission

- Verify Delinquent Tax amount with prior year December Settlement
  - Section 5, Column 18 - Delinquent Tax must agree with the December Settlement Form 105, the sum of Lines 24, 25 and 29 Net Tax and Penalty Column
  - Section 5, Column 19 - Total Delinquent Penalties and Interest from Prior Year must agree with the December Settlement Form 105, the sum of Lines 26, 27, 28 and 30 Net Tax and Penalty Column
  - Section 5, Column 20 - Penalty Added on 2<sup>nd</sup> Installment at Prior Year Final Tax Installment Due Date should agree to the extent that the total will be at least 5% and not more than 10% with the December Settlement Form 105 - Line 24 Net Tax and Penalty Column
  - Section 5, Column 21 - 10% Penalty on Prior Year's Taxes at Prior Year Final Tax Installment Due Date must agree within rounding the December Settlement Form 105 - Line 29 Net Tax and Penalty Column

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## Approval Process

- Verify DLGF certified rates are used
- Compare Net Taxable Values between LOIT PTRC rate calculation worksheet and abstract
- Compare Net HSC Values between HSC rate calculation worksheet(s) and abstract
- Compare Net Residential Values between LOIT Res PTRC rate calculation worksheet and abstract
- Compare applicable Credit dollars between rate calculation worksheet(s) and abstract
- Verify Delinquent Tax Penalty & Interest with previous years December Settlement
- Test for possible Circuit Breakers

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## Miscellaneous

- Amended Abstracts – for the 2012 pay 2013 abstract we had 17 amended abstracts filed. The majority of the amended abstract filings were due to TIF value corrections. Please double check your TIF data prior to submitting the abstract.
- Checklist
  - Abstract Completion Checklist
  - State Auditor Checklist
- Printing
  - Hard copy will not be printed until data is compliant with DLGF
  - A print file can be sent to the county for printing on paper
- State Auditor Tracking Sheet
- Questions

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