

**COUNTY AUDITORS' SPRING
2012
CONFERENCE**

**June 2012 Settlement and Other
Interesting Items**

**Brenda Alyea, Settlement Specialist
Auditor of State**

1

June 2012 Settlement

- **Instructions are on the Auditor of State's website www.in.gov/auditor/**
 - The instructions can be found on the website by first selecting Departments
 - Then select Settlements
- **PLEASE READ INSTRUCTIONS**

2

June 2012 Settlement

- **The electronic documents that have been placed on the county's FTP site are:**
 - Settlement Sheet, Form 105
 - 49TC Treasurer's Certificate of Tax Collections
 - 17TC Certificate of Tax Refunds
 - Treasurer/Auditor Excise Tax Reconciliation Form
 - Excise Tax Allocation Worksheet
 - Quietus Worksheet
 - Fines & Fees Report Form
 - County Checklist
 - Office Information sheet
- **To the applicable counties we have emailed the 2011 Pay 2012 Property Tax Rates Adjusted for Circuit Breaker Credit Exempt Funds**

3

**June 2012 Settlement
Highlights**

- When Settlement is filed must use worksheets we placed on the FTP site
- Counties with circuit breaker credit exempt funds must use, where applicable, Property Tax Rates Adjusted for Circuit Breaker Credit Exempt Funds to distribute property tax
- LOIT Operating Levy Freeze counties must use DLGF equivalency rates plus DLGF certified property tax rates to distribute excise tax

4

**June 2012 Settlement
Highlights**

- Counties with local property tax credits must include at least 5/12 (can be $\frac{1}{2}$) of the abstract amount in the June Settlement
 - CEDIT HSC (this is a change from prior years)
 - COIT HSC
 - LOIT (CAGIT or COIT) PTRC
 - LOIT (CAGIT or COIT) HSC
 - And/or LOIT (CAGIT or COIT) Qualified Residential PTRC

5

**June 2012 Settlement
Highlights**

- The 2008 & Prior Del Tax Deduction is no longer a required form for Settlement
- The Excise Tax Allocation Deductions continue and will continue at each settlement
 - Must use the current worksheet for your county placed on the FTP site

6

June 2012 Settlement Highlights

- Form 105, Section A-New line added for pre-apportionment adjustments
 - Late Penalties collected on special assessments to be apportioned to the taxing units
 - Certified liens filed by a municipality
 - Ineligible Homestead credits
 - Other pre-apportionment adjustments as needed

7

June 2012 Settlement Highlights

- Late payment penalty collections on special assessments (not including conservancy district taxes and ditch assessments)
 - Treasurer will receipt in Other Sources on Cashbook
 - Treasurer will certify as Other Collections on the 49TC
- Late payment penalties on conservancy district and ditch assessment taxes are accounted for and settled with conservancy district taxes and ditch assessment taxes

8

June 2012 Settlement Highlights

- Auditor will list as a pre-apportionment adjustment the late payment penalty collections on special assessments (not including conservancy district taxes and ditch assessments) on line 5, Section A of the Form 102 and the Form 105
 - Formula in this cell will reduce the apportionment
 - Enter as a negative to increase the apportionment
 - Enter as a positive to decrease the apportionment

9

June 2012 Settlement Highlights

- **Excise Tax**
 - June Settlement Excise Tax cut-off date
 - Use the normal cut-off date regardless of when June Settlement occurs.
 - The cut-off dates are March 31 or April 30 for June Settlement and September 30 or October 31 for December settlement.

10

June 2012 Settlement Highlights

- With the BMV change to a 14 day lag time between the transaction date and the deposit and report date, counties may want to consider using March 31 as the cut-off date for the June Settlement and September 30 for December settlement
- **Treasurer/Auditor Excise Tax Reconciliation Worksheet** is required and will continue to be required with each settlement.
 - Must use the worksheet placed on the FTP site

11

June 2012 Settlement Highlights

- **Tax Refunds**
 - Can be deducted in the June Settlement, but not required
 - Are required to be deducted in the December Settlement
 - But only the refunds that were not deducted in the June Settlement
 - If refunds are deducted in the June Settlement, then the State PTRC & State HSC, if any, portion of refunds must be remitted to the state before you will receive final approval of the June Settlement

12

June 2012 Settlement Highlights

- A County checklist is available. Please use the checklist to verify data prior to submitting settlement.
- New item this settlement.
 - Be certain the correct distribution rates are in your tax system to allocate the tax collections

13

June 2012 Settlement

- Deadline to settle with taxing units
 - 51 days after tax due date to settle without payment of interest to taxing units
 - If interest is due, the interest amount is calculated on undistributed property and excise tax
 - If interest is due, the interest rate used to calculate the interest amount equals the average rate the county is earning on investments
 - The interest amount equals the undistributed tax amount times the average interest rate divided by 365 times the number of days after 51 days

14

June 2012 Settlement

- Settlement Fines and Fees due by
 - June 30th whether a June Settlement is filed or not
 - If you file a settlement prior to June 30th, you will remit the May 31 balance and list those same balances in Section C of the Form 105

15

June 2012 Settlement

- Remittances due State before final approval of June Settlement will be given
 - SWETA, 2009 Welfare Excise Tax Allocation and 2009 School Excise Tax Allocation
 - State PTRC & State HSC portion of tax refunds, if applicable

16

June 2012 Settlement

- Settlement Fines and Fees Remittances
 - Infraction Judgment Fines
 - Overweight Vehicle Fines
 - Special Death Benefit
 - Sales Disclosure Fees
 - Coroner's Continuing Education Fees
 - Adult & Juvenile Offender Interstate Compact Fees
 - Mortgage Recording Fees
 - Child Restraint Fine
 - Forest Restoration Fund
 - Canine Research and Education Fund
 - Sex/Violent Offender Registration Fees
 - DLGF Homestead Property Data Base Fund

17

Settlement Fines and Fees

- The following settlement fines and fees require two funds for proper accounting and segregation of state and local funds
 - Sales Disclosure Fees
 - County Sales Disclosure Fund $\frac{1}{2}$ of the fees
 - State Sales Disclosure Fund $\frac{1}{2}$ of the fees - then remitted to state at settlement
 - Adult & Juvenile Offender Interstate Compact Fees
 - County Offender Transportation Fund $\frac{1}{2}$ of the fees
 - Adult & Juvenile Offender Interstate Compact Fee Fund $\frac{1}{2}$ of the fees - then remitted to state at settlement
 - Mortgage Recording Fees
 - \$0.50 of the \$3 fee to County Recorder's Records Perpetuation Fund
 - \$2.50 of the \$3 fee to Mortgage Fee Fund - then remitted to state at settlement

18

Settlement Fines and Fees

- Settlement fines and fees that require two funds for proper accounting and segregation of state and local funds - continued
 - Forest Restoration Fund
 - Back taxes and penalties collected on withdrawal of applicable classified forest or wild lands:
 - Back taxes and 25% of withdrawal penalty to county general fund
 - 75% of withdrawal penalty to Forest Restoration Fund - then remitted to state at settlement
 - Canine Research and Education Fund
 - County Option Dog Tax
 - 80% of collections retained by county
 - 20% of collections to Canine Research and Education Fund - then remitted to state at settlement

19

Settlement Fines and Fees

- Settlement fines and fees that require two funds for proper accounting and segregation of state and local funds - continued
 - Sex/Violent Offender Registration Fees
 - County adopts an annual Sex or Violent Offender Registration Fee and Address Change Fee
 - 90% to County Sex or Violent Offender Administration Fund
 - 10% to State Sex or Violent Offender Fund - then remitted to state at settlement
 - Ineligible Homestead Credit Civil Penalty
 - 99% to County Auditor's Ineligible Deduction Fund
 - 1% remitted to state for DLGF Homestead Property Data Base Fund

20

June 2012 Settlement

- When the Settlement is ready for review email to all members of the Settlement Department the following Settlement documents
 - Settlement Sheet, Form 105
 - Must use Form 105 we placed in the county's folder on the FTP site. We use the electronic Form 105 to print the Settlement Sheet once the Settlement has been approved. The printed Settlement Sheet is mailed to County Auditor to sign. The signed Settlement Sheet must be returned to Settlement Department in order for County Auditor to receive final approval of the Settlement.
 - Treasurer's Certificate of Tax Collections, Form 49TC
 - Must use 49TC we placed in the county's folder on the FTP site. If system generated 49TC is emailed to the Settlement Department, then the 49TC must be identical to Settlement Department provided 49TC

21

June 2012 Settlement

- Certificate of Tax Refunds, Form 17TC
 - Must use Form 17TC we placed in the county's folder on the FTP site.
- Excise Tax Allocation Deduction Calculation Worksheet
 - Must use worksheet we placed in the county's folder on the FTP site
- Treasurer/Auditor Excise Tax Reconciliation Worksheet
 - Must use worksheet we placed in the county's folder on the FTP site.

22

June 2012 Settlement

Reminders

- Please use the county checklist to verify data prior to sending in settlement forms.
- We review Settlements in the order received. This procedure holds true for re-submitted settlements.
- Complete Section C on the Form 105 prior to submission of settlement.

23

Treasurer's Certificate of Tax Collections Form 49TC

- In columns 1 through 7 the treasurer will certify collections
- County Auditor will complete columns 8 through 13 based on information found on the Apportionment Sheets Form 102's
- In section 2 columns 17 and 18 the auditor will enter the breakdown of additional PTRC need or excess PTRC between state and local PTRC if applicable

24

Treasurer's Certificate of Tax Collections Form 49TC

- In Section 2 columns 22 through 28 the auditor will enter the breakdown of additional homestead credit needed or excess homestead credit between state HSC, state HEA 1001 HSC, COIT HSC, CEDIT HSC, CEDIT Res PTRC, Local LOIT (CAGIT or COIT) HSC, Local LOIT (CAGIT or COIT) Res PTRC homestead credits
- Please see the auditor of state settlement instruction manual for further detail

25

Commercial Vehicle Excise Tax (CVET)

- Commercial Vehicle Excise Tax distribution was processed early in May.
- Distributions to units should have occurred by this time for all except LaPorte County and counties that have adopted the LOIT Levy Freeze.
- Reminder, LOIT Levy Freeze counties are to include the equivalency rates when apportioning the CVET to the units.

26

FIRE TERRITORIES & CVET DISTRIBUTIONS

- The fire territory rate or rates are included in the allocation of CVET for the providing taxing unit and each participating taxing unit
- If a fire territory rate or rates exist as a part of the taxing district rates, then a fire territory exists
- If the providing taxing unit or one of the participating taxing units is a township, then the township CVET fire amount is allocated using the fire territory rate or rates

27

FIRE TERRITORIES & CVET DISTRIBUTIONS

- If no township CVET fire amount is listed there is no CVET distribution to the fire territory
- If the providing taxing unit or one of the participating taxing units is a city or a town, then the fire territory rate or rates are included with the city or town rates to allocate the city or town CVET amount
- The total of the fire territory CVET allocations is distributed to the providing taxing unit of the fire territory for the fire territory

28

CVET DISTRIBUTION

- Section 241 of House Enrolled Act (HEA) 1001(ss)-2009 amended IC6-6-5.5-20 and changed the distribution amount of CVET
- Beginning with the calendar year 2009 CVET distribution the amount distributed was no longer a guaranteed increase of at least 5% over the previous year distribution

29

CVET DISTRIBUTION

- Beginning with calendar year 2009 each county's total CVET distribution amount is determined by the following calculation:
 - The county's distribution percentage determined by DLGF in 2000 and certified to the auditor of state in 2000
 - Times the total CVET revenue deposited in the state CVET Fund in the previous calendar year
 - 2012 distribution is based on calendar year 2011 CVET revenue
- One-half of the CVET amount is distributed in May and one-half in December

30

**TAXING UNIT CVET
DISTRIBUTION AMOUNT**

- Each taxing unit's CVET amount equals;
 - The taxing unit's distribution percentage determined by DLGF in 2000 and certified to the auditor of state in 2000
 - Times the county's total CVET distribution amount
- Auditor of state's office determines each taxing unit's amount and provides the taxing unit breakdown to the county auditor at each CVET distribution

31

**TAXING UNIT CVET
DISTRIBUTION AMOUNT**

- The county taxing unit CVET distribution is reduced by the Welfare CVET Allocation
- The school taxing unit CVET distribution is reduced by the School CVET Allocation
- The Welfare and School allocations were deducted prior to distributing CVET to counties
- Therefore there are no CVET distributions to the state

32

**TAXING UNIT CVET
DISTRIBUTION AMOUNT**

- Each taxing unit's CVET distribution is allocated to the funds of the taxing unit with the property tax rates applicable to the calendar year of the CVET distribution
- For example the 2011 pay 2012 property tax rates are used to allocate 2012 CVET
- CVET can only be distributed to taxing units after DLGF has certified 2012 property tax rates
- Do not distribute 2012 CVET with 2011 property tax rates

33

CVET

- Counties who have adopted Operating Levy Freeze LOIT must add the "LOIT Equivalency Rate" provided by DLGF to the certified property tax rate to get the rates to use to calculate CVET distributions
- If a township has no CVET fire amount, there is no township CVET fire distribution to the fire territory

34

CVET

- Note: If a township has no Civil fund rates but CVET is distributed for township civil funds, the CVET Township Civil amount is distributed to the Township General Fund
- Note: If a township has no Fire fund rates but CVET is distributed for fire funds, the CVET Township Fire amount is distributed to the Township Fire Fund

35

FINANCIAL INSTITUTIONS TAX (FIT)

- DLGF will create 2012 FIT Worksheets for all of the counties who have 2011 pay 2012 property tax rates
- Once the DLGF 2012 FIT worksheets are received our agency will send the February and May 2012 FIT distributions to those counties
- Use DLGF's FIT Worksheets and our instructions to calculate distributions to taxing units

36

FIT

- FIT must be distributed to taxing units by the time of the June & December Settlement

- Remaining distribution dates
 - First week of August 2012
 - $\frac{1}{4}$ of the total amount due the county
 - First week of December 2012
 - $\frac{1}{4}$ of the total amount due the county

37

FIRE TERRITORIES & FIT DISTRIBUTIONS

- The fire territory rate or rates are included in the allocation of FIT for the providing taxing unit and each participating taxing unit

- If a fire territory rate or rates exist as a part of the taxing district rates, then a fire territory exist

- If the providing taxing unit or one of the participating taxing units is a township, then the township FIT fire amount is allocated using the fire territory rate or rates

- If there is no Township FIT fire amount, then there is no FIT distribution to the fire territory

38

FIRE TERRITORIES & FIT DISTRIBUTIONS

- If the providing taxing unit or one of the participating taxing units is a city or a town, then the fire territory rate or rates are included with the city or town rates to allocate the city or town FIT amount

- The total of the fire territory FIT allocations is distributed to the providing taxing unit of the fire territory for the fire territory

39

2012 Riverboat Wagering Tax Revenue Sharing

- \$33 million to be distributed by August 15, 2012 to counties who do not have a riverboat
- Each county's total amount is determined by population ratio of counties who do not have a riverboat
- Each county's total amount is allocated on a population basis between the county and the cities & towns within the county
 - The allocation within Marion County is on a different basis

40

2012 Riverboat Wagering Tax Revenue Sharing

- Permissible use of 2012 Riverboat Wagering Tax Revenue Sharing
 - Any governmental purpose appropriated by the Fiscal Body (County Council)
 - Does not reduce property tax levy or maximum levy

41

2013 Revenue Estimates

- We will be emailing by mid-June 2012, the 2013 Budget Revenue estimate formulas for:
 - Cigarette Tax distributions
 - ABC Gallonage tax distributions
 - MVH, LRS, MVH #1 and MVH #2
- And the calculation of the estimates for:
 - August 2012 & 2013 Riverboat Wagering Tax Revenue Sharing distribution

42

2013 Revenue Estimates

- Please provide these estimates to the proper local officials
 - County Highway Department
 - To Cities and Towns

43

2010 Census

- 2010 Census population counts were used for state distributions beginning
 - May 1, 2012
- For those counties who have adopted wheel and or sur tax, the census and mileage update worksheets were sent May 2, 2012

44

EFT Deposits

- State distributions and other payments processed through the Auditor of State's Office appear on bank statements as "Auditor of State Payables"
- Payments process through other state agencies i.e. BMV, Workforce Development etc. will not appear as "Auditor of State Payables"

45

Federal EFT Deposit Symbols

- **TREAS 220**
 - Austin, TX 512-342-7300
- **TREAS 310**
 - Kansas City, MO 816-4142100
- **TREAS 312**
 - San Francisco, CA 510-594-7300
- **DOJ**
 - Dept of Justice 800-421-6770

46

ACH Payments to the State

- In November Of 2011 an email was sent stating remittances can now be filed with the state via ACH
- Currently have 14 county auditors sending remittances to the state by ACH
- Our office has an ACH enrollment form available with our banking information included

47

ACH Payments to the State

- County will complete the form and return the form to our office.
- If the county has its own enrollment form, provide the form to our office
 - We will complete the form and return it to the county

48

ACH Payments to the State

- Payments that can be made by ACH are
 - Settlement monies
 - Fines and Fees
 - Fines and Forfeitures
 - Judges Supplemental Payments
 - Rainy Day Loan Payments
 - Other payments that are made to the Auditor of State

49

ACH Payments to the State

- Payments that you cannot send to the Auditor of State's office by ACH
 - Inheritance tax (payable to State Treasurer but remitted to the Department of Revenue
 - Exam of Records payments (payable to State Treasurer but remitted to the State Board of Accounts
 - Payments to other state agencies

50

ACH Payments to the State

- You **MUST** notify our office immediately by email or fax when you are sending a payment by ACH to the Auditor of State's office.
- We will need the ACH amounts itemized
- Our fax number is 317-232-6097
- If any questions, please direct them to Janie Cope

51

OTHER INTERESTING ITEMS

- Abstract will be printed and sent to the county once our office is notified by DLGF the data is deemed compliant
- Form 22's are sent to DLGF. We only receive them when a distribution is made to the state
- Whatever Janie forgot when putting the presentation together

52
