COUNTY AUDITORS' SPRING 2013 CONFERENCE

June 2013 Settlement and Other Interesting Items

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Auditor of State

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June 2013 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
  - Instructions include information for the treasurer

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A self made man who didn't follow the directions.

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June 2013 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 2012 Pay 2013 Property Tax Rates Adjusted for Circuit Breaker Credit Exempt funds

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June 2013 Settlement

- 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

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June 2013 Settlement

- 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
  - COIT HSC
  - LOIT (CAGIT or COIT) PTRC
  - LOIT (CAGIT or COIT) HSC
  - And/or LOIT (CAGIT or COIT) Qualified Residential PTRC

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June 2013 Settlement

- The 2008 & Prior Del Tax Deduction is no longer a required form for Settlement
  - If your county chooses to continue to track the collection of 2008 & prior delinquent taxes contact AOS for the form
- 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

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June 2013 Settlement

- Form 105, Section A
  - Before Apportionment Adjustments include
    - Line 4-Erroneous Tax, Penalties and Interest Refunded, if applicable
    - Line 5-State's Share of 2008 & Prior Delinquent Tax and Penalties Collected, if applicable
    - Line 6-Late Payment Penalties on Special Assessments Collected
    - Line 7-Plus or Minus Other Before Apportionment Adjustments
    - Line 9-License Excise Tax for Apportionment

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June 2013 Settlement

- 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

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June 2013 Settlement

- 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

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June 2013 Settlement

- 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 6, 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

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June 2013 Settlement

- Excise Tax
  - June Settlement Excise Tax cut-off date
    - The cut-off dates are March 31 or April 30 for June Settlement and September 30 or October 31 for December settlement.
  - 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

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June 2013 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
- Reminder, LOIT Levy Freeze counties are to include the equivalency rates when apportioning the Excise Tax to the units

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June 2013 Settlement

- A County checklist is available and required to be completed prior to submitting settlement to verify accuracy of data
- It is now a requirement to provide a listing of your distribution rates from your tax system used to allocate the tax collections as a part of the settlement approval process

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June 2013 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

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June 2013 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
  - If you file a settlement prior to May 31, you will remit the April 30 balance and list those same balances in Section C of the Form 105

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June 2013 Settlement

- Remittances due State before final approval of June Settlement will be given
  - Excise Tax Allocation
  - State PTRC & State HSC portion of tax refunds, if applicable
  - State's Share of 2008 & Prior Delinquent Tax Collections, if applicable

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June 2013 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

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June 2013 Settlement

- Settlement Fines and Fees Remittances Continued…
  - Child Restraint Fine
  - Forest Restoration Fund
  - Canine Research and Education Fund
  - Sex/Violent Offender Registration Fees
  - DLGF Homestead Property Data Base Fund
  - Violent Crime Victims Compensation Fund

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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 ½ of the fees
    - State Sales Disclosure Fund ½ of the fees – then remitted to state at settlement
  - Adult & Juvenile Offender Interstate Compact Fees
    - County Offender Transportation Fund ½ of the fees
    - Adult & Juvenile Offender Interstate Compact Fee Fund ½ 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

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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

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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

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Settlement Fines and Fees

- Note: The 1% of the Civil Penalty on Ineligible homesteads that is quietus into the DLGF Homestead Property Data Base fund at this June settlement can remain in the fund and remitted at the next settlement

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Settlement Fines and Fees

- The Violent Crime Victims Compensation Fund
  - IC 11-10-8-6(a)(3) 10% of the gross earnings of an offender employed in a work release program to be deposited in the violent crime victims compensation fund established by IC 5-2-6.12-40

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June 2013 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 or you may use a property tax software generated form that has been approved by AOS
  - Treasurer's Certificate of Tax Collections, Form 49TC
    - Must use 49TC we placed in the county's folder on the FTP site or you may use a property tax software generated form that has been approved by AOS
  - Certificate of Tax Refunds, Form 17TC
    - Must use Form 17TC we placed in the county's folder on the FTP site or you may use a property tax software generated form that has been approved by AOS

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June 2013 Settlement

- Required Settlement documents continued…
  - 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
  - 2008 & Prior Delinquent Tax Collection Worksheet if applicable
    - Must use worksheet provided by AOS

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June 2013 Settlement

- Required Settlement documents continued…
  - Distribution rates listing from your tax system.

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.

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Quietus Worksheet

- Is a tool to assist the county auditor and treasurer with the final steps of settlement because the worksheet brings together in one workbook the amounts to be distributed and the cash available for distribution
- Is a required document
- The Settlement Form 105 will no longer be printed and sent to the county until the quietus Worksheet has been sent to and approved by AOS

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Quietus Worksheet

- If your software vendor has created a quietus worksheet based on the old format, we will accept that worksheet. Otherwise must use the form placed on the FTP site
- If completed correctly the quietus worksheet either proves:
  - The total amount to be distributed equals the treasurer's total cash available for distribution or it does not.
- Worksheet provides the county direction on how to quietus the funds for settlement

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Commercial Vehicle Excise Tax (CVET)

- Commercial Vehicle Excise Tax distribution was processed early in May
- CVET worksheets from our office are available on the Auditor of State's website
  - www.in.gov/auditor
  - Click on Departments, Settlements, CVET Reports, 2013
- Distributions to units should have occurred by this time for all except LaPorte County

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CVET DISTRIBUTION

- 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
  - 2013 distribution is based on calendar year 2012 CVET revenue

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TAXING UNIT CVET DISTRIBUTION AMOUNT

- One-half of the CVET amount is distributed in May and one-half in December
- 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

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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

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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 2012 pay 2013 property tax rates are used to allocate 2013 CVET
- CVET can only be distributed to taxing units after DLGF has certified 2013 property tax rates
- Do not distribute 2013 CVET with 2012 property tax rates

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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
- LOIT Equivalency Rates can be found on the DLGF website under "County Specific Information"

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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

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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

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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

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FIRE DISTRICTS & CVET DISTRIBUTIONS

- If a fire district is created the fire district will not receive a CVET distribution
- CVET fire amount will be distributed to the township general fund
- Fire district is a taxing unit and must have been in place when CVET first started to receive a CVET distribution

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FINANCIAL INSTITUIONS TAX (FIT)

- DLGF has created 2013 FIT Worksheets for all of the counties who have 2012 pay 2013 property tax rates
- DLGF worksheets can be found on the DLGF website under "County Specific Information"
- 2013 FIT distribution was processed in early May 2013

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FIT

- Use DLGF's FIT Worksheets and our instructions to calculate distributions to taxing units
- FIT must be distributed to taxing units by the time of the June & December Settlement

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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

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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

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FIRE DISTRICTS & FIT DISTRIBUTIONS

- If a fire district is created the fire district will not receive an FIT distribution
- FIT fire amount will be distributed to the township general fund
- Fire district is a taxing unit and must have been in place when FIT first started to receive a FIT distribution

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2013 Riverboat Wagering Tax Revenue Sharing

- $33 million to be distributed by August 15, 2013 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

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2013 Riverboat Wagering Tax Revenue Sharing

- Permissible use of 2013 Riverboat Wagering Tax Revenue Sharing
  - Any governmental purpose appropriated by the Fiscal Body (County Council)
  - Does not reduce property tax levy or maximum levy

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2014 Revenue Estimates

- We will be emailing by mid-June 2013, the 2014 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 2013 & 2014 Riverboat Wagering Tax Revenue Sharing distribution

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2014 Revenue Estimates

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

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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 processed through other state agencies i.e. BMV, Workforce Development etc. will not appear as "Auditor of State Payables

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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

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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 17 county auditors sending remittances to the state by ACH
- Our office has an ACH enrollment form available with our banking information included

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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

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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

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ACH Payments to the State

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

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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

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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
- Exam of Records payments
  - Check made out to the Treasurer of State
  - Send to the State Board of Accounts

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OTHER INTERESTING ITEMS

- Removing Non-Collectible Taxes
  - The removal of taxes due to non-payment of taxes does not include the removal of PTRC & HSC. In other words, the state and/or LOIT funds are not entitled to a refund for the taxes removed because of the non-payment of the taxes
    - Typically occurs due to bankruptcy, court orders or tax sale property deeded to the county
    - Credit dollars are only reduced when the taxes are reduced to an assessment change or a deduction change

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OTHER INTERESTING ITEMS

- Updated Wheel and Sur Tax Factors were sent to the counties
- Whatever was forgotten when putting the presentation together

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