CHAPTER VI

TAXATION

The treasurer is the financial officer of the county and, as such, is vested with the authority and is charged with the duty of collecting all taxes and assessments which are payable to the county, pursuant to statute.

The tax duplicates are delivered to the treasurer by the county auditor on or before March 1 of each year, listing each taxpayer, a description of the property assessed, and the amount of tax. [IC 6-1.1-22-3]

General property taxes are payable at any time after the first day of January of each year, and are payable in two equal installments. The first installment becomes delinquent after the tenth day of May and the second installment becomes delinquent after the tenth day of November.

There is no provision, pursuant to IC 6-1.1-22-9, for the extension of time in the payment of taxes, except pursuant to IC 6-1.1-37-10.

Tax collections are entered in the tax duplicate to the credit of the taxpayer. At the close of the tax-paying period ending May 10, the treasurer certifies to the county auditor the amount of collections. From this certificate the county auditor makes distribution to the various taxing districts.

Penalties accruing on delinquent first installment tax are added by the county auditor as well as penalties on former years' delinquent taxes remaining unpaid.

At the close of the taxpaying period ending November 10, the treasurer certifies to the county auditor all taxes collected during the year, proper credit being given for the amount certified for the May installment.

The tax settlement is the process by which money collected through taxation is distributed to the various funds for which the taxes were levied. The tax settlement is a transfer of money from the various taxing district accounts to funds. Necessary adjustments of the amounts to be distributed to the various funds are made by the county auditor to reimburse the county general fund for advancements previously made on account of "erroneous taxes refunded" and "examinations of records."

Too much emphasis cannot be placed on the necessity for the treasurer to determine that the amount for which the settlement quietus is written is the same as the total amount of tax collections (including financial institution and license excise), as shown on the records. Any difference here will mean that the treasurer is either long or short.

The various operations required to be performed by the treasurer in the collection of taxes and settlement therefor are described in detail in the following pages.

LIABILITY OF TAXPAYER - LIMITATION OF ACTION

Any person liable for any taxes under IC 6-1.1-2-4, shall be personally liable for the taxes and all penalties, costs, and collection expenses, including reasonable attorney’s fees and court costs resulting therefrom, and this liability may be enforced by any legal remedy including a civil lawsuit instituted by a county treasurer or a county executive. All taxes, penalties, costs, and collection expenses levied against a person in the same county for one or more years may be included in a single action. No action or proceeding shall be commenced to enforce the collection of taxes after ten (10) years from the first Monday in May in the year in which the taxes first become due and payable, with the exception that any proceeding to collect the taxes began within the ten (10) year period may be prosecuted to termination and taxes may be collected pursuant to that proceeding after the expiration of the ten (10) year period. [IC 6-1.1-22-10]

TAX DUPLICATES

The county auditor of each county shall, before March 15 of each year, prepare a roll of property taxes in the county. Such roll shall be known and designated as the "tax duplicate" and shall show the value of all of the assessed property in the county, the person liable for the taxes thereon, and such other information as the State Board of Accounts, with the advice and approval of the State Board of Tax Commissioners, may direct. The county auditor shall deliver the tax duplicate to the treasurer before March 1 of each year. [IC 6-1.1-22-3]

NOTICE TO TAXPAYERS - TAX STATEMENTS

Immediately upon receipt of the tax duplicate, the treasurer shall cause the publication of a notice three (3) times one (1) week apart showing the rate of tax per one hundred dollars ($100.00) of assessed valuation to be collected in the county and the total of such rates in each taxing district. The form of this notice is prescribed by the State Board of Tax Commissioners. [IC 6-1.1-22-4]

The county treasurer shall either:

1. mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book, a statement of current and delinquent taxes and special assessments; or

2. transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records, a statement of current and delinquent taxes and special assessments. [IC 6-1.1-22-8]

NOTE: By provisions of IC 6-1.1-22-4, notice by publication shall mean notice in two (2) newspapers of opposite political parties published in the county, or one (1) newspaper only, if two (2) newspapers of opposite political parties are not published in the county.

TAX RECEIPTS

When any person pays the taxes or special assessments levied against any property, and a receipt is provided by the county treasurer, the receipt shall be on a form prescribed or approved by the State Board of Accounts. Such receipt shall specify the name of the person liable for the amount paid, the amount paid, the year for which paid and the property on which paid, describing the property as it is described on the tax duplicate. If the treasurer does not provide a receipt, the treasurer shall maintain records containing the date and amount paid per parcel or property description used on the tax duplicate. A taxpayer is entitled to a validated receipt upon request. When any person other than the owner pays any tax or special assessment, the treasurer shall, upon demand of such taxpayer, provide a receipt in a form prescribed or approved by the State Board of Accounts. [IC 6-1.1-22-12]

If a receipt for the payment of taxes or special assessments is lost or destroyed, the entry in the register of taxes and special assessments or the entry on the tax duplicate may be presented as evidence of payment in lieu of the receipt.

EXTENSION OF THE TAX DUPLICATE

In addition to the preparation of the duplicate and its delivery to the treasurer, the county auditor also enters the penalties and extends all unpaid taxes and penalties to the proper columns of the tax duplicates. Posting collections of taxes and special assessments is the duty of the treasurer.

In the instance of machine posting of duplicates and tax records, a division of authority between the office of county auditor and treasurer should be agreed upon so that the treasurer has adequate supervision over the complete recording of payments, for which the treasurer is responsible.

ERROR MAKING TAX UNCOLLECTIBLE - ADDITION TO TAX FOR SUCCEEDING YEAR

If the tax for any year on any property subject to taxation cannot be collected because of an erroneous proceeding, the amount of the tax shall be added to the amount to be collected in the following year. [IC 6-1.1-36-10]

LIABILITY FOR NOT SETTLING

If any treasurer fails to make a semi-annual settlement with the county auditor of the county, or pay over the money due the county, the county auditor shall notify the prosecuting attorney of the county. The prosecuting attorney shall bring a suit upon the bond of such treasurer. Such treasurer and the sureties shall be held liable in an amount equal to 110% of the taxes and other charges for which the treasurer fails to make a settlement or pay over. [IC 6-1.1-27-4]

SETTLEMENT WITH STATE

Each treasurer shall, on or before June 30 and December 31 of each year, pay to the Treasurer of State, all money due for state purposes, as shown on the certificate of settlement. [IC 6-1.1-27-3]

PENALTY FOR FAILURE TO PAY

If any treasurer fails to pay into the state treasury the amount due the state, as shown on the settlement, at the required time, or if the county auditor fails to draw a warrant for the amount due the state or refuses to deliver to the treasurer a certificate of settlement on the form to be prescribed by the State Board of Accounts at least two (2) days before the treasurer is required to make the settlement, the Auditor of State shall notify the prosecuting attorney to bring an action of debt in the name of the state against such defaulting county auditor or treasurer for the amount due the state, together with fifteen percent (15%) penalty thereon. [IC 6-1.1-27-5]

OVERPAYMENTS BY TREASURER - REPAYMENT - LIMITATION

Whenever it shall appear to the board of county commissioners of any county that, by reason of erroneous charges in the tax duplicate or from any other reason, the treasurer of such county has paid and accounted to such board of county commissioners for more money than was due, such board shall direct the county auditor to credit such treasurer with the sum thus improperly paid and order such sum to be repaid out of the county treasury. It shall not be necessary to appropriate any such money to be refunded before it shall be paid.

Whenever similar improper or erroneous payments are made by any treasurer to the Treasurer of State, the board of county commissioners shall direct the county auditor to certify a statement of the improper or erroneous payments to the Auditor of State who shall audit and allow the same as a claim against the Treasurer of State. The Treasurer of State shall refund the same out of money not otherwise appropriated. [IC 6-1.1-27-6]

INSTALLMENT PAYMENTS - DELINQUENT TAXES - PENALTIES - PARTIAL PAYMENTS

Taxes shall be due and payable in two (2) equal installments on or before May 10 and November 10 of the next year, unless the amount of the taxpayer's liability is less than $25.00 and county council has adopted an ordinance requiring the owner to pay the entire tax liability on May 10. [IC 6-1.1-22-9]

If an installment of taxes is not completely paid on or before the date, a penalty equal to ten percent (10%) of the amount of the delinquent taxes shall be added thereto as a penalty. After May 10 and November 10 of the year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any tax remaining unpaid shall be added. If by reason of a partial payment of any installment only the balance of the installment becomes delinquent, the penalties herein provided shall be imposed only on such delinquent balance. All penalties shall be based only on the principal amount of the delinquent tax. [IC 6-1.1-37-10]

If any due date falls on a Saturday , a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

A payment to the county treasurer is considered to have been paid by the due date if the payment is:

1. received on or before the due date to the county treasurer or a collecting agent appointed by the county treasurer; or

2. deposited in the United States mail:

   A. properly addressed to the principal office of the county treasurer;

   B. with sufficient postage; and

   C. certified or postmarked by the United States postal services as mailed on or before the due date.

3. deposited with a nationally recognized express parcel carrier and is:

   A. properly addressed to the principal office of the county treasurer; and

   B. verified by the express parcel carrier as:

      (i) paid in full for final delivery; and

      (ii) received on or before the due date.

“Postmarked” does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment. [IC 6-1.1-37-10]

MINIMUM TAX BILL

A property tax liability of less than five dollars ($5) is increased to five dollars ($5). The difference between the actual liability and the five dollar ($5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability. [IC 6-1.1-22-9]

LIEN OF THE STATE

The State of Indiana shall acquire a lien on each parcel of real property for all taxes levied against such real property, together with subsequent penalties and costs thereon, on the first day of March of the year the real property was charged with such taxes. The lien shall in no way be affected or destroyed by any sale or transfer of the real property. The lien of the state for taxes shall continue for ten (10) years from May 10 of the year in which such taxes became due and payable. If any proceeding is instituted for the enforcement of such lien within such ten (10) year period, the limitation shall be extended, to permit the termination of such proceeding. The lien of the state shall inure to all taxing districts, divisions of state and local governments, boards and commissions having an interest therein and such lien shall be superior to all other liens. [IC 6-1.1-22-13]

SEARCH FOR DELINQUENCIES - PUBLIC EMPLOYEES

On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications) the disbursing officer of each county, township, city, town, school corporation, other subdivision of local government, state, and each state educational institution shall certify to the treasurer of their respective counties, the names and addresses of all persons who have money due them for salaries, wages or for any other reason from such subdivision of government. Upon the receipt of such names and addresses, the treasurer shall search the records to ascertain if any person so certified is delinquent in the payment of property taxes. [IC 6-1.1-22-14]

DELINQUENCY OF PUBLIC EMPLOYEE - DEDUCTIONS FROM SALARY

If the treasurer finds that any person so certified is delinquent in the payment of their taxes, the treasurer shall certify the name of such delinquent and the amount of the delinquency to the official of the subdivision of government who is to make payments to such delinquent. It shall be the duty of such disbursing officer to make deductions, from time to time, from moneys owing to the delinquent, then or in the future, and to pay the deductions to the treasurer to be applied by the treasurer to the payment of the delinquent taxes until the amount of such delinquent taxes, penalties and interest are paid in full. [IC 6-1.1-22-15]

On or before the first day in June and December annually, the county treasurer of each county shall furnish to the Auditor of State, Indiana Department of Transportation and the boards of trustees of each state institutions and state schools, a list of all persons who are delinquent in the payment of their taxes, believed by such county treasurer to have money due them for salaries, wages, or any other reason from either the Auditor of State, Indiana Department of Transportation or the board of trustees of any state institution or state school, and the amount of such delinquency.

The Auditor of State, the Indiana Department of Transportation and the boards of trustees of state institutions and state schools shall make deductions, from time to time, from any moneys owing, then or in the future, to any person whose name is found on such delinquent tax list, and shall pay the amount of such deductions to the treasurer of the county entitled thereto to be applied to the payment of such delinquent taxes until the amount of such delinquent taxes, penalties and interest are paid in full. [IC 6-1.1-22-16]

ASSESSMENT OF OMITTED OR UNDERVALUED PROPERTY

Whenever any county auditor, treasurer, township assessor, county assessor, or county property tax assessment board believes that any taxable tangible property has been omitted from or undervalued on the assessment rolls or the tax duplicate, for any year or years, the official or board shall give written notice, served on or transmitted by mail, to the taxpayer of the intention of the official or board to assess or to increase the assessed valuation of such property describing it in general terms. [IC 6-1.1-9-1; 6-1.1-9-2]

To add omitted property to the tax duplicate after same has been delivered to the treasurer, it is suggested that the county auditor enter the assessment and the taxes thereon on a sheet in the tax duplicate following the last item of original entry in the proper taxing district. Such added items are generally known as "auditor's assessments."

Collections on such "auditor's assessments" are handled in the same manner as other tax collections.

CERTIFICATE OF ERROR

The county auditor shall correct errors which may at any time be discovered in the tax duplicates for any one or more of the following reasons:

1. The description of the real property was in error;
2. The assessment was against the wrong person;
3. Taxes on the same property were charged more than one time in the same year;
4. There was mathematical error in computing the taxes or penalties on the taxes;
5. There was an error in carrying delinquent taxes forward from one tax duplicate to another;
6. The taxes, as a matter of law, were illegal;
7. There was a mathematical error in computing an assessment; or
8. Through the error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

The county auditor shall correct an error described under items (1), (2), (3), (4), or (5) when he finds that the error exists.

If the tax is based on an assessment made or determined by the State Board of Tax Commissioners, the county auditor shall not correct an error described under items (6), (7), or (8) until after the correction is either approved by the State Board of Tax Commissioners or ordered by the tax court.

If the tax is not based on an assessment made or determined by the State Board of Tax Commissioners, the county auditor shall correct an error described under items (6), (7), or (8) only after Form 133, Petition for Correction of Error, has been filed in duplicate by the owner of the property or an authorized representative of the owner and the petition is approved by at least two (2) of the following officials: the township assessor, county assessor, and county auditor. If two (2) of these officials do not approve the petition, the county auditor shall refer the petition to the county property tax assessment board for determination. A taxpayer may appeal a determination of the county property tax assessment board to the state board of tax commissioners for a final determination.

If a correction or change is made in the tax duplicate after it is delivered to the treasurer, the county auditor shall transmit a certificate of error to the treasurer. The treasurer shall keep the certificate as a voucher for settlement with the county auditor. [IC 6-1.1-15-12]

Where a certificate of error is issued under item (2) or where taxes are refunded by reason of being assessed against and paid by the wrong person, be sure such taxes are recharged in the "additional assessments" section on the tax duplicate against the person from whom the taxes are due.

PENALTIES FOR FAILURE TO FILE RETURN

When any person fails to file a personal property return as required, the county auditor shall add the sum of twenty-five dollars ($25.00) to the tax installment next payable by such person.

Any person failing to file a return within thirty (30) days after the return is due shall have added by the county auditor to the tax payable (in equal installments) by such person an amount equal to twenty percent (20%) of the tax finally determined to be payable with respect to the property which should have been reported on such return.

These provisions are not applicable to any person, or the dependents of any person, if in the military or naval forces of the United States on the assessment date or covered by the provisions of the Federal Soldiers' and Sailors' Relief Act. [IC 6-1.1-37-7]

If a person fails to include on a personal property return the information, if any, that the State Board of Tax Commissioners requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars ($25.00).

If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued.

If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

A penalty is due with an installment whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

VENDING MACHINE PENALTY

If the owner of a vending machine fails to place on the face of such machine an identification device (owner's name and address), the township assessor shall inform the county auditor who shall add one dollar ($1.00) penalty to the next tax installment of the person upon whose premises the machine is located. [IC 6-1.1-37-8]

INTEREST - LATE PAYMENT RESULTING FROM INCREASED ASSESSMENT - ASSESSMENT REDUCED AFTER TAXES HAVE BEEN PAID

Whenever an assessment is made or increased at a time which results in the taxes on such assessment being paid after the date or dates on which the taxes for the year for which the assessment is made were due, the taxpayer shall pay, in addition to such tax, interest at the rate of ten percent (10%) from the date the taxes were due. [IC 6-1.1-37-9]

Whenever an assessment is decreased which results in the taxpayer being entitled to a refund or credit on previously paid taxes, such taxpayer shall be paid or credited with interest at the rate of six percent (6%) per annum from the date on which the tax was paid or was payable whichever is later to the date of the refund or credit. [IC 6-1.1-37-11]

DISPOSITION OF INTEREST AND PENALTY

All interest and penalties collected pursuant to late filing of assessments shall be credited to the appropriate taxing districts.

Payment of interest to the taxpayer in the event of a reduction shall be from the county general fund and shall be handled in the same manner as erroneous taxes refunded. [IC 6-1.1-37-12]

REPORTING TAX COLLECTIONS

The treasurer is required to make a monthly report to the county auditor of the amount of taxes collected for the preceding month and that portion which is county funds is then available for the use of the county and may be drawn upon by the county auditor to meet allowances against the fund for which the tax was collected. [IC 36-2-6-14]

LIENHOLDER PAYING TAXES (DELINQUENT ONLY)

Any holder of a lien of record on any real property on which taxes are delinquent may pay the delinquent taxes, penalties and costs. The amount so paid shall constitute an additional lien in favor of the lienholder on the real property and shall be collectible, with interest at six percent (6%) per annum from the time of payment, in the same manner as the original lien. [IC 6-1.1-22-11]

ADVANCEMENT OF TAXES - 95% OF COLLECTION

The treasurer shall, upon written request for funds filed by the Auditor of State or any proper local officer of any municipal corporation within the county, make advancement of taxes collected in an amount not to exceed ninety-five percent (95%) of the total amount collected at the time of the advancement nor to exceed ninety-five percent (95%) of the amount to be distributed at the following semiannual distribution. The request for property tax advances under this section must be filed at least thirty (30) days before the treasurer is required to make the advance. [IC 5-13-6-3]

Upon receipt of a written request for an advance draw the following procedure should be followed:

1. The collections for each taxing district within the municipal corporation, as shown by the records of the county treasurer, should be multiplied by 95%.

2. Divide the answer under (1) by the total tax rate for the taxing district to obtain the factor to be used in appropriating the tax.

3. Multiply the factor by the tax rate for the fund for which the advance draw is requested, to arrive at the maximum amount which can be advanced.

The practical application of the foregoing provision requires that such advancement shall not exceed ninety-five percent (95%) of the tax collected for the particular fund for which such application for advancement has been made.

In making such advancements, a quietus and warrant are both necessary. The quietus is the posting media to transfer from the taxing district account to the tax fund for which such request has been made. A warrant is then issued by the county auditor, drawn on the tax fund.

ASSESSMENT OF MOBILE HOMES

The assessment of mobile homes is governed by Regulation No. 13 issued by the State Board of Tax Commissioners.

The Notice of Assessment of Mobile Home, Form 2, shall be prepared in triplicate by the township assessor and the pink copy forwarded to the county auditor. Upon receipt of mobile home assessments from the township assessor, the county auditor shall enter the assessments in a separate section of the tax duplicate for each taxing district titled "Mobile Homes." The mobile homes section should be placed immediately following the regular section of the duplicate for real estate and personal property assessments. The amount of taxes charged resulting from mobile home assessments is reported on the December settlement sheet. Only the amount of delinquent mobile home taxes and penalties are included in the December abstract.

The tax on a mobile home is due and payable in the same year as the assessment is made. For example, the tax on a mobile home assessed as of January 15, 2000, is due and payable in two (2) installments on May 10, 2000 and November 10, 2000 (unless County Council has adopted an ordinance requiring the taxpayer to pay the entire tax liability on May 10 where the tax liability is less than $25). The same penalties for delinquencies apply to mobile home taxes as apply to property taxes. [IC 6-1.1-7-7]

The collection of taxes on mobile homes shall be enforced by the treasurer using the same procedures that are followed to collect delinquent personal property taxes.

MOBILE HOME PERMIT FOR MOVING OR TRANSFERRING TITLE

A mobile home may not be moved from one location to another unless the owner or the occupier obtains a permit to move the mobile home from the county treasurer. The Bureau of Motor Vehicles may not transfer the title to a mobile home unless the owner obtains a permit to transfer the title from the county treasurer. A county treasurer shall issue a permit which is required to either move or transfer the title to a mobile home if the taxes due on the mobile home have been paid. [IC 6-1.1-7-10] If a permit is to be issued after midnight, January 15, the taxes due and payable May 10 and November 10 of that year must be paid along with any taxes payable in preceding years before a permit can be issued.

The State Board of Tax Commissioners prescribes State Form No. 7878, Mobile Home Permit, for handling such transactions. The permit shall state the date it was issued. A mobile home cannot be moved more than one month after the date of issuance of the permit. [IC 6-1.1-7-11]

A county may establish a fee for issuing such permits if it adopts a Home Rule Ordinance establishing the fee in accordance with IC 36-1-3-1 et seq. All fees shall be deposited into the county general fund.

INHERITANCE TAX

Whenever the court finds inheritance tax due on any case before it, Form 9-1950, Order Determining Value of Estate and Amount of Tax, is made out by the court and forwarded to the treasurer. This form lists the amount of tax to be collected by the treasurer.

Any person paying inheritance tax to the treasurer should first obtain an application to pay from the county auditor, as this money should be receipted directly into the inheritance tax fund.

Upon receipt of the application to pay, accompanied by the money, the treasurer issues a regular receipt (Form 20-21); in addition, issues Inheritance Tax Receipt, Form 14, in duplicate. One copy is immediately mailed to the inheritance tax division and the second copy (register) remains in the office. [IC 6-4.1-9-5]

If such tax is paid within one year from date of death, a discount of five percent (5%) shall be allowed and deducted therefrom. If such tax is not paid within eighteen months from date of death, interest shall be charged and collected thereon at the rate of ten percent (10%) per annum, from the date of death to date of payment. [IC 6-4.1-9-1; 6-4.1-9-2]

In some cases the interest may be reduced to six percent (6%) per annum by the court or the inheritance tax division, but any reduction in interest must be made by the court or inheritance tax division and cannot be made by the treasurer. (Official Opinion of the Attorney General, 1927, pages 134-136)

A five percent (5%) discount is not authorized after one year from decedent's death and all payments of tax after eighteen months are subject to interest unless proper proof is submitted that tender of payment has been made within eighteen months of the date of death, <u>even though no court order has been previously entered</u>. (Official Opinion of the Attorney General, 1955, No. 24)

Each county assessor shall serve as the county inheritance tax appraiser for the county he/she serves. However, if the county assessor is heir, the personal representative of the estate or is related to the decedent or a beneficiary of the estate, the court shall appoint a qualified resident of the county as appraiser. [IC 6-4.1-12-2]

In all counties except Marion, eight percent (8%) of the inheritance tax collected shall be receipted to the county general fund quarterly on the first day of January, April, July and October of each year. The remaining ninety-two percent (92%) of the inheritance tax plus all interest and penalties collected shall be paid to the State of Indiana. [IC 6-4.1-9-6] Indiana Code 6-4.1-9-6(b) provides for the distribution in Marion County.

Quarterly, on the first days of January, April, July and October of each year, the treasurer shall make a report to the Inheritance Tax Division, Department of State Revenue (Form 13) of all inheritance tax received in the preceding three months. In making this report, deduction is noted for discounts, refunds and the eight percent (8%) due the county during the same period. The net amount is remitted, together with the report, to the Inheritance Tax Division, Department of State Revenue, by county warrant, payable to the <u>Treasurer of State</u>. [IC 6-4.1-9-7]

The treasurer shall sign such report.

If the department of state revenue believes that a person has failed to pay inheritance tax for which liable, the department may file in the appropriate court an action in the name of the state to enforce payment of the tax. [IC 6-4.1-9-11]

The Inheritance Tax Division, Department of State Revenue, may order the refund of any illegal or erroneous payment of tax. Such refund is made by county warrant from the inheritance tax fund, and credit is taken on the next quarterly report. [IC 6-4.1-10-3]

If a refund warrant remains outstanding for two (2) years as of December 31 of each year, the Inheritance Tax Division needs to be notified that such warrant will be receipted back to the Inheritance Tax Fund.

LIQUOR PERMITS

IC 7.1-3-21-15 states:

"(a) The commission shall not issue, renew, or transfer a wholesaler, retailer, dealer, or other permit of any type if the applicant:

1. is seeking a renewal and the applicant has not paid all the property taxes under IC 6-1.1 that are due currently;

2. is seeking a transfer and the applicant has not paid all the property taxes under IC 6-1.1 for the assessment periods during which the transferor held the permit; or

3. is on the most recent tax warrant list supplied to the commission by the department of state revenue.

(b) The commission shall issue, renew, or transfer a permit that the commission denied . . . when the appropriate one (1) of the following occurs:

1. The person, if seeking a renewal, provides to the commission a statement from the county treasurer of the county in which the property of the applicant was assessed indicating that all the property taxes under IC 6-1.1 that were delinquent have been paid.

2. The person, if seeking a transfer of ownership, provides to the commission a statement from the county treasurer of the county in which the property of the transferor was assessed indicating that all the property taxes under IC 6-1.1 have been paid for the assessment periods during which the transferor held the permit.

3. The person provides to the commission a statement from the commissioner of the department of state revenue indicating that the person’s delinquent tax liability has been satisfied.

4. The commission receives notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k)."

INNKEEPER'S TAX

The county fiscal body may adopt an ordinance to require innkeeper's tax be reported on forms approved by the county treasurer and that the tax be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected. All the provisions of the state gross retail tax [IC 6-2.5] relating to the rights, duties, liabilities, definitions and administration shall be applicable to the imposition and administration of the tax except to the extent such provisions are in conflict or inconsistent with the requirements of the county treasurer. [IC 6-9]

If your county fiscal body adopts such an ordinance, we recommend you contact the State Department of Revenue for guidance on the type of form to use in collecting such tax. The county treasurer must approve such form.

VEHICLE LICENSE EXCISE TAX

The provisions of IC 6-6-5 impose an annual license excise tax upon any vehicle subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the State of Indiana, except:

1. Vehicles owned or leased and operated by the governments of the United States, the State of Indiana and its political subdivisions.

2. Mobile homes and motor homes.

3. Vehicles assessed under the public utility tax law.

4. Trucks, the declared gross weight of which exceeds eleven thousand (11,000) pounds, trailers, semi-trailers, tractors and buses.

5. Vehicles owned or leased and operated by an institution of higher education as defined in IC 6-3-3-5(d).

6. Vehicles owned, or leased and operated by a volunteer fire company.

7. Vehicles owned or leased and operated by a volunteer emergency ambulance service.

8. Vehicles exempt from the payment of registration fees under IC 9-18-3-1.

9. Farm Wagons.

The amount of tax due on each vehicle is based on the list price and age of the vehicle. IC 6-6-5-4 sets out seventeen (17) classifications of vehicles according to list price and IC 6-6-5-5 establishes the amount of tax due for each classification from the first year of manufacture through the tenth year and thereafter. The tax is computed and billed annually on the preregistration application forms issued by the State Bureau of Motor Vehicles, or computed by the local license branch offices, and is collected and accounted for by the branch offices of the bureau.

Each branch manager is required to establish a separate depository account for the deposit of license excise and to make deposits in this account as soon as the amount of excise tax collected by the branch can be determined. The branch manager will supply the county treasurer with a copy of the deposit ticket showing deposits to this account. Withdrawals from this account by the county treasurer should be made only by checks and may be made at least two (2) times per week. It is recommended that a minimum supply of prenumbered checks which are printed to show the account title "Bureau of Motor Vehicles _____ County License Excise Tax" be purchased for these withdrawals. The county treasurer shall issue a Receipt, County Form No. 18E, to the branch manager for each withdrawal from the Bureau of Motor Vehicles _____ County License Excise Tax account and furnish a copy of the receipt to the county auditor.

Upon receipt of the report and copies of the registration certificates, the county auditor shall determine the total amount of excise taxes collected for each taxing district in the county. [IC 6-6-5-10.4] The amount so collected shall be apportioned and distributed among the respective funds of each taxing district in the manner and at the same time as property taxes are apportioned and distributed. [IC 6-6-5-10]

At the time of each semiannual tax settlement the treasurer shall report such tax collections, together with the aircraft license excise tax and auto rental excise tax collections discussed in this section, on County Form 49TC, County Treasurer's Certificate of Tax Collections, and the total shown by the county auditor's records shall be verified with the treasurer's certificate before distribution is made.

AIRCRAFT LICENSE EXCISE TAX

All taxable aircraft, except aircraft that is exempt pursuant to IC 6-6-6.5-9, shall be registered by the owner with the Aeronautics Commission and an annual excise tax shall be paid in lieu of the ad valorem property tax. [IC 6-6-6.5]

The aircraft license excise tax will be collected by the Indiana Department of Revenue and remitted to the counties quarterly. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall made in April. When remitting the tax, the Department of Revenue will submit an "Aircraft Excise Tax Report" to each treasurer and county auditor. The state warrant remitting the tax will be mailed to the treasurer along with the report. The report will show the taxing district in which the aircraft is usually located.

Upon receipt of the warrant from the Auditor of State, the treasurer shall issue an Excise Tax Receipt, County Form 18E, and shall post the receipt to the treasurer's daily balance of cash and depositories, in the section "other sources" to an account titled "aircraft excise tax fund," to comply with the provisions of IC 6-6-6.5-21(c). The treasurer shall also furnish a copy of the receipt to the county auditor.

The county auditor, upon receipt of the report, shall allocate the tax collected in the same manner as used to allocate vehicle license excise tax. The amount received shall be posted to the County Auditor's Record of Annual License Excise Tax, County Form 24F, and allocated on County Form 24ET, in the same manner as vehicle license excise tax. In entering the collections on County Form 24ET, one of the columns in that record should be headed "aircraft license excise tax" to record separately the amount received from that source. The vehicle license excise tax, the auto rental excise tax, and the aircraft license excise tax shall be combined into one total and apportioned and distributed as "license excise tax" in making settlement, and should be so reported by the treasurer on the County Treasurer's Certificate of Tax Collections, County Form 49TC.

COUNTY MOTOR VEHICLE EXCISE SURTAX AND COUNTY WHEEL TAX

In accordance with the provisions of IC 6-3.5-4 and IC 6-3.5-5, the county council of each county may, by ordinance, impose a County Motor Vehicle Excise Surtax and a County Wheel Tax.

Collection of Tax

Both the county motor vehicle excise surtax and the county wheel tax will be collected by the Bureau of Motor Vehicles and deposited in the "Bureau of Motor Vehicles County Tax" depository account.

Upon receipt of the Bureau of Motor Vehicles, County Tax Report, State Form 3827, the county auditor shall issue a quietus to transfer the net amount of surtax and wheel tax from the county treasurer's collections of license excise tax to the "_____ County Surtax Fund" and to the "_____ County Wheel Tax Fund."

Allocation and Distribution of the Tax

Before the twentieth day of each month, the county auditor shall allocate the money deposited in both the County Surtax Fund and the County Wheel Tax Fund among the county and the cities and towns in the county.

Miscellaneous Provisions

The distributions of surtax and wheel tax to the county should be receipted to the County Highway Fund and cities and towns should receipt the distributions to the Motor Vehicle Highway Fund (Street Fund), since a county, city or town may only use the surtax and wheel tax revenues it receives to construct, reconstruct, repair or maintain streets and roads under their jurisdiction.

Refunds

Refunds of overpaid or erroneously paid county motor vehicles excise surtax and county wheel tax should be paid from the County General Fund. Such refunds can be made without an appropriation having been made for that specific purpose. However, great care should be taken to insure that the amounts so refunded are recorded in the non-budgeted expenditures and are easily distinguishable so that they can be properly deducted from the surtax and wheel tax and returned to the County General Fund.

AUTO RENTAL EXCISE TAX

An excise tax, known as the auto rental excise tax, is imposed upon the rental of passenger motor vehicles and trucks in Indiana for periods of less than thirty (30) days. The tax is four percent (4%) of the gross retail income received by retail merchants for the rentals.

The auto rental excise tax will be collected by the Department of Revenue in the same manner that gross retail tax is collected. On or before May 20 and November 20 of each year, all amounts held by the state in the auto rental excise tax account shall be distributed to the county treasurers of Indiana.

The amount to be distributed to a county treasurer equals that part of the total auto rental excise taxes being distributed that were initially imposed and collected from within that treasurer's county. The Department of Revenue shall notify each county auditor of the amount of taxes to be distributed to the county treasurer. At the same time each distribution is made to a county treasurer, the Department of Revenue shall certify to the county auditor each taxing district within the county where auto rental excise taxes were collected and the amount of the county distribution that was collected with respect to each taxing district.

Upon receipt of the warrant from the Auditor of State, the county treasurer shall issue an Excise Tax Receipt, County Form No. 18E. The county treasurer shall deposit auto rental excise tax collections into a separate account under "Other Sources" of the Treasurer's Daily Balance of Cash and Depositories for settlement at the same time as property taxes are accounted for and settled in June and December of each year.

The county treasurer in reporting such collections on the County Treasurer's Certificate of Collections, County Form No. 49TC, at each semiannual settlement, will combine such taxes with the vehicle and aircraft license excise tax collected and the total reported as one amount on the line designated "License Excise Tax Collected." [IC 6-6-9-1]

FINANCIAL INSTITUTIONS TAX

The provisions of IC 6-5.5-2 include the procedure for imposing and collecting taxes on banks and savings and loan associations. These financial institutions will pay a financial institutions tax to the Department of State Revenue. Taxes collected will be receipted to a financial institutions tax fund by the Auditor of State.

IC 6-5.5-8-2 contains a formula for determining the amount of tax to be distributed to each taxing unit. This section provides for a guaranteed distribution and a supplemental distribution to each taxing unit.

On or before February 1, May 1, August 1, and December 1 of each year the Auditor shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

The county auditor shall distribute to each taxing unit the taxing unit's guaranteed and supplemental distributions at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

BOAT EXCISE TAX

The provisions of IC 6-6-11-1 impose an annual excise tax on boats. Boats are defined to include any device in which a person may be transported upon water. This includes every motorboat, sailboat, pontoon boat, rowboat, skiff, dinghy, or canoe, regardless of size.

A boat may not be operated, used, docked or stored in a county unless the boat excise tax, the Department of Natural Resources fee, and the Lake and River Enhancement fees for that boat have been paid for the boating year and a valid boat excise tax decal is affixed to the boat.

The following boats are exempt from the boat excise tax:

1. Boats owned by the United States, the state, or one of its political subdivisions;

2. Boats owned by an organization exempt from federal income taxation under 501(c)(3) of the Internal Revenue Code;

3. A human powered vessel, as described by the Department of Natural Resources.

4. Boats held by a boat manufacturer, distributor or dealer for sale in the ordinary course of business and subject to assessment under IC 6-1.1.

5. Boats used for the production of income and subject to assessment under IC 6-1.1;

6. Boats stored in Indiana for less than twenty-two consecutive days and not operated, used or docked in Indiana;

7. Boats registered outside Indiana and operated, used or docked in Indiana for a combined total of less than twenty-two consecutive days during the boating year;

8. Boats subject to the commercial vessel tonnage tax.

The amount of the tax due on each boat is based on the boat's class and age. IC 6-6-11-10 sets out fourteen classifications for boats based on the value of the boat when it was new and IC 6-6-11-11 provides for reductions based on the age of the boat. The tax is paid to the Bureau of Motor Vehicles and license branches may be used for the collection of the tax.

On or before the tenth day of the month following the month in which the collections are made, the Auditor of State shall report the excise taxes collected to the county treasurer. The state auditor shall also forward a copy of the excise tax report to the county auditor.

Upon receipt of the report and copies of the registration certificates, the county auditor shall determine the total amount of boat excise taxes collected for each taxing district in the county. The amount so collected shall be apportioned and distributed among the respective funds of each taxing district in the manner and at the same time as property taxes are apportioned and distributed. Such determination shall be made from copies of boat registration forms furnished by the Bureau of Motor Vehicles.

Collections received should be recorded in a separate section of County Form Nos. 24F, County Auditors Record of Annual License Excise Tax, and 24-ET, County Auditor's Allocation of License Excise Tax, in the same manner as Vehicle License Excise Tax is recorded.

At the time of each semiannual tax settlement the county treasurer shall report such tax collections on County Form No. 49BC, Report of Excise Tax Received, and the total shown by the auditor's records shall be verified with the treasurer's certificate before the distribution is made.

If a boat owner sells his (her) boat they are entitled to a credit of the remainder of the tax in accordance with the formula outlined in IC 6-6-11-17. However, <u>no refund can be made on a credit issued because of the sale of a boat</u>.

TAX REFUNDS - BOAT EXCISE TAX

Every owner of a boat that is destroyed in a year in which the owner paid the tax imposed by this chapter, and is not replaced by a replacement boat for which a credit is issued under this chapter, is entitled to a refund in an amount equal to ten percent (10%) of the excise tax paid for each full calendar month remaining in the registrant's tax year after the date of destruction.

To receive a refund, a boat owner must present and return to the Bureau of Motor Vehicles the following:

1. A request for refund on a form furnished by the Bureau.

2. A statement of proof of destruction on an affidavit furnished by the Bureau.

3. The tax payment form for the boat.

A refund under this section may not exceed ninety percent (90%) of the tax paid on the destroyed boat. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be handled in the same manner as property tax refunds are handled.