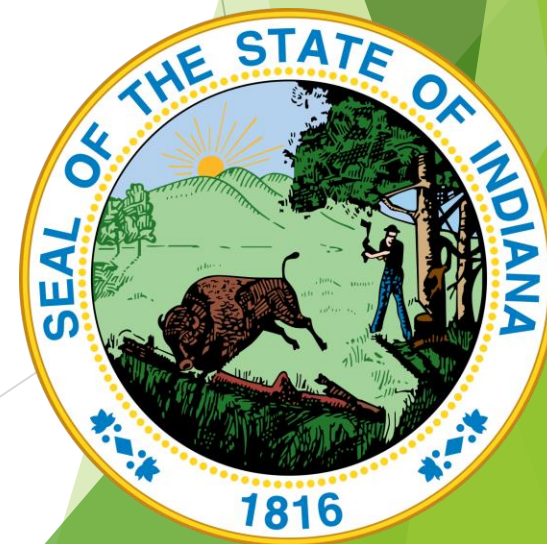


Excise Tax

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Introduction to Excise Tax

Excise taxes are taxes on certain goods, services and activities that are imposed at the time of use by the consumer.

2020-2024 Tax Collection Amounts Statewide

	2024	2023	2022	2021	2020
Property Tax	9,318,118,958.56	8,668,525,423.40	7,902,309,726.41	7,611,242,006.22	7,133,996,675.41
Financial Institutions Tax	63,390,583.89	71,628,526.84	82,961,243.33	73,404,966.95	59,100,477.76
License Excise	567,964,127.03	587,338,187.59	589,260,389.88	603,704,810.62	583,498,701.28
Exam of Records	(14,699,129.52)	(13,618,442.41)	(7,651,929.88)	(8,786,656.23)	(7,891,360.87)
Commerical Vehicle Excise Tax	47,544,003.10	48,374,086.91	46,541,430.66	44,995,928.35	43,630,783.61
Total	9,982,318,543.06	9,362,247,782.33	8,613,420,860.40	8,324,561,055.91	7,812,335,277.19



Introduction to Excise Tax

Why present on excise taxes?

Requests from:

- County Auditors
- County Treasurers
- State Agencies
- Tax and Billing Vendors



Agenda - Excise Tax

- **Types of Excise**
 - Indiana Code
 - Collections and Distributions
 - Reports
 - Contacts
- **Local Government Obligations**
 - County Treasurer
 - County Auditor
 - Joint Responsibilities
- **Excise and Settlement**
 - Excise Tax Allocation Worksheet
 - 49TC
 - Excise Tax Reconciliation Worksheet
- **FAQ's**



Types of Excise



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Types of Excise

There are 10 different types of excise taxes. Not all counties will impose every type listed below.

1. Motor Vehicle Excise
2. Watercraft (Boat) Excise
3. Excise Tax on Recreational Vehicles (RV) and Truck Campers
4. Excise Tax Replacement Credit (ETC)
5. Aircraft Excise
6. Auto Rental Excise
7. Heavy Equipment Excise
8. Vehicle Sharing Excise
9. Wheel and Sur Tax Excise
10. Commercial Vehicle Excise (CVET)



Motor Vehicle Excise

Motor Vehicle Excise is imposed on various motor vehicles in addition to any registration fees (IC 6-6-5).

- Paid to the Bureau of Motor Vehicles (BMV) at the time the vehicle is registered.
- Distributed to the county daily.
- Contained within settlement calculations.
- Included in settlement calculations and excise tax remittance to the State.
- Reports are provided on the BMV FTP site.
- For questions and reports, contact Tamytha Cooper at tcooper@bmv.in.gov.



Watercraft (Boat) Excise

Watercraft (Boat) Excise is imposed on various watercrafts in addition to any registration fees (IC 6-6-11).

- Paid to the BMV at the time the watercraft is registered.
- Distributed to the county monthly.
- Contained within settlement calculations.
- Included in settlement calculations and excise tax remittance to the State.
- Reports are provided on the BMV FTP site.
- For questions or reports, contact Tamytha Cooper at tcooper@bmv.in.gov.



RV & Truck Campers

RV & Truck Camper Excise is imposed on RV's and truck campers in addition to any registration fees (IC 6-6-5.1).

- Paid to the BMV at the time the vehicle is registered.
- Distributed to the county daily.
- Contained within settlement calculations.
- Included in settlement calculations and excise tax remittance to the State.
- Reports are provided on the BMV FTP site.
- For questions or reports, contact Tamytha Cooper at tcooper@bmv.in.gov.



Motor Vehicle Excise Tax Replacement

Excise Tax Replacement Credit is calculated by the BMV, funded by lottery tax and is applied to motor vehicles at the time of registration (IC 6-6-5-9.5).

- BMV provides each county's total credit amount to the Comptroller.
- The Comptroller uses these credits to determine each county's share of the \$19,701,344 statutory distribution.
- Comptroller provides documentation and the distribution to the county monthly.
- Included in settlement calculations and excise tax remittance to the State.
- BMV reports are available on the FTP site.
- For questions or reports, contact Tamytha Cooper at tcooper@bmv.in.gov.



Aircraft Excise

Aircraft Excise tax is imposed on aircrafts based on aircraft classification (IC 6-6-6.5).

- The aircraft owner is responsible for the tax, paid to the Department of Revenue (DOR) upon registration.
- Distribution is processed quarterly.
- Contained within settlement calculations.
- Included in settlement calculations and excise tax remittance to the State.
- DOR sends reports directly to counties.
- For questions and reports, contact Frank Porcelli at fporcelli@dor.in.gov.



Auto Rental Excise

Auto Rental Excise Tax applies to rentals of passenger vehicles and trucks in Indiana for a period of less than 30 days (IC 6-6-9).

- Renters pay the tax to the retail merchant, who then submits it to the DOR.
- Distribution occurs semiannually.
- Included in settlement calculations but not in excise tax remittance to the State.
- DOR sends reports directly to counties.
- For questions or reports, contact Frank Porcelli at fporcelli@dor.in.gov.



Heavy Equipment Rental Excise

Heavy Equipment Rental Excise Tax applies to rentals of heavy equipment from retail merchants (IC 6-6-15).

- Renters pay the tax to the retail merchant, who submits it to DOR.
- Distribution occurs semiannually.
- Contained within settlement calculations.
- Included in settlement calculations but not in excise tax remittance to the State.
- DOR sends reports directly to counties.
- For questions or reports, contact Frank Porcelli at fporcelli@dor.in.gov.



Vehicle Sharing Excise

Vehicle Sharing Excise Tax applies to passenger vehicles & truck rentals of less than 30 days (IC 6-6-16).

- The shared driver pays the tax to the vehicle owner or peer-to-peer sharing platform.
- Peer-to-peer sharing allows individuals to rent out their vehicles via mobile apps.
- Retail merchants submit payments to DOR
- Distribution occurs semiannually.
- Included in settlement calculations but not in excise tax remittance to the State.
- DOR sends reports directly to counties.
- For questions or reports, contact Frank Porcelli at fporcelli@dor.in.gov.



Wheel & Sur Tax

Counties may adopt Wheel & Sur Tax by ordinance as an additional tax on vehicles subject to Motor Vehicle Excise Tax

- Multiple agencies are involved with the administration of Wheel and Sur Tax:
 - BMV for most motor vehicles (IC 6-3.5-4).
 - DOR for commercial vehicles (IC 6-3.5-5).
- Tax is paid to BMV or DOR upon vehicle registration.
- Distribution occurs monthly but is not included in settlement calculations.
- BMV reports are available on the BMV FTP site.
- DOR sends reports directly to counties.
- Contacts:
 - BMV: Tamytha Cooper (tcooper@bmv.in.gov)
 - DOR: Amber Travis (atravis@dor.in.gov)



Commercial Vehicle Excise Tax (CVET)

Commercial Vehicle Excise Tax applies to certain commercial vehicles and is charged in addition to registration fees (IC 6-6-5.5).

- Paid to the DOR upon vehicle registration.
- Distributed semiannually:
 - Comptroller distributes funds to counties.
 - Counties distribute funds to local units.
- Comptroller provides instructions and detailed breakdown report.
- Not included in settlement calculations.
- CVET distribution memo and report are available on the Comptroller website at in.gov/comptroller.
- For questions or reports, contact Janie Cope at localgovernment@comptroller.in.gov.



Local Government Obligations



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County Treasurer Obligations

County Treasurers post receipts and disbursements of excise tax to the cashbook daily (IC 6-6-5-10 and IC 6-6-11-33).

- A receipt is issued to the County Auditor that includes the date of the deposit, the revenue amount, the transaction date and the report number (when applicable).
- The excise revenue is posted to the Other Sources, Excise Tax Collections on the cashbook.
- The total amount of the deposits are entered in the Bank Deposits section of the cashbook.
- It is Imperative for the County Treasurer to reconcile the cashbook to the bank statement.



County Auditor Obligations

County Auditors post all receipts and disbursements of excise tax to the Excise Tax Ledger (IC 6-6-5-10).

- County Auditors use the receipt from the County Treasurer to verify amounts on the Excise Tax Ledger.
- The ledger includes separate lines for each taxing district and separate columns for each type of excise tax.
- Motor Vehicle Excise Tax, which includes RV and Truck Camper excise, is posted based on the **transaction date** in the reports provided.
- Watercraft, aircraft, auto rental, heavy equipment rental, and vehicle sharing taxes are posted in the **month received**, rather than by a specific transaction date.
- Excise Tax Replacement Credit is posted in the month received or to the previous month.



County Joint Responsibilities

- Best practices are for County Auditors and Treasurers to reconcile all types of excise **monthly**, and to access and copy/print deposit reports **daily**.
- County Auditor cutoff dates should be consistent each year.
- County offices should continue to post excise tax revenues received after the County Auditor's cutoff date when completing the Treasurer/Auditor Excise Tax Reconciliation workbook.



Excise and Settlement



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Excise and Settlement

During the Settlement process, Excise will flow through the following forms:

1. Excise Tax Allocation Worksheet
2. Treasurer's Certification of Taxes Collected (49TC)
3. Excise Tax Reconciliation Worksheet

These three forms must be completed in the order listed. The Excise Tax Allocation Worksheet and the 49TC have necessary data required to complete the Excise Tax Reconciliation Worksheet.



Excise Tax Allocation Worksheet

The Excise Tax Allocation Worksheet is used to determine the portion of excise taxes to distribute to local units and the State and includes two sections:

1. Excise subject to the State Remittance:
 - Motor Vehicle (includes RV and Truck Camper Excise)
 - Watercraft (Boat)
 - Excise Tax Replacement Credit
 - Aircraft
2. Excise **not** subject to State Remittance:
 - Auto Rental
 - Heavy Equipment Rental
 - Vehicle Sharing Excise



Excise Tax Allocation Worksheet Cont.

The County Auditor enters the amount of Excise Tax to distribute from the Excise Tax Ledger to the corresponding taxing district and excise type:

- Local Portion
 - The Total Excise Tax for Distribution is the excise to distribute to the taxing units.
- State Portion
 - The calculated amount of excise to be remitted to the State for welfare and school funds is listed on the lower part of the worksheet.
 - Each county's distribution to the State is determined using an allocation factor calculated based on a 3-year average of property tax rates from 1999 welfare and school fund tax rates from 2009.



49TC

The County Treasurer certifies the total amount of all seven types of Excise Taxes collected since the prior settlement on form 49TC.

- RV and Truck Camper are included in the Motor Vehicle Excise.
- CVET and Wheel Tax are not included in the certification of excise on the 49TC.
- The amounts can be found in the Other Sources section of the County Treasurer's cashbook.
- The treasurer will certify the excise collections on the same date as the certification of property tax collections.



Excise Tax Reconciliation

- The Excise Tax Reconciliation workbook was created to help counties verify the excise collections and reporting between the County Treasurer's cashbook and the County Auditor's excise ledger.
- The excise collections need to be reconciled to ensure all excise tax collections are being distributed to all recipients.



Reconciliation Lines 1-6

Lines 1-6 are used to perform the initial reconciliation between the treasurer's cashbook and auditor's ledger.

- **Line 1:** Excise tax amount certified by the treasurer.
- **Line 2:** Add excise advances, if applicable.
- **Line 3:** Subtract excise distributed to local units.
- **Line 4:** Subtract excise allocated to County General for watercraft refund reimbursements.
- **Line 5:** Subtract excise distributed to the State.
- **Line 6:** Calculates the difference between the treasurer and auditor amounts.
 - A difference on Line 6 is expected given the treasurer cutoff date should be later than the auditor cutoff date.



COUNTY TREASURER AND COUNTY AUDITOR EXCISE TAX RECONCILIATION AT SETTLEMENT						
Enter amounts as positive amounts.						
	COUNTY					
	SETTLEMENT		AUDITOR'S CUT-OFF DATE			
1.)	COUNTY TREASURER CERTIFIED EXCISE TAX			0.00		
		(License Excise Tax Collected Line of the 49TC and should also be the Total Excise Tax on Cashbook at Settlement Certification)				
2.)	PLUS: EXCISE TAX ADVANCE TOTAL			0.00		
		(See Note at the bottom of this worksheet)				
		(The Excise Tax Certified and the amount on the Cashbook should have been reduced by the Excise Tax Advances)				
3.)	MINUS: EXCISE TAX TO BE DISTRIBUTED AT SETTLEMENT			0.00		
		(Column 8 of the 49TC)				
4.)	MINUS: EXCISE TAX TO BE DISTRIBUTED TO COUNTY GENERAL FUND FOR REIMBURSEMENT OF WATERCRAFT OR BOAT EXCISE TAX REFUNDS			0.00		
		(See Note at the bottom of this worksheet)				
5.)	MINUS: WELFARE & SCHOOL EXCISE TAX ALLOCATIONS			0.00		
		(Enter the amount from the excise tax allocation worksheet)				
6.)	EQUALS TREASURER AND AUDITOR EXCISE TAX DIFFERENCE			0.00		

Reconciliation Lines 7-10

Lines 7-10 identify the difference between the treasurer's and auditor's amounts calculated on Line 6.

- **Line 7:** Adds the amount of Excise Tax Replacement Credit included in the County Auditor's distribution but not in the County Treasurer's certified collection.
- **Line 8:** Subtracts Excise Tax received after the auditor's cutoff date—this amount is recorded by the treasurer but not included in the auditor's distribution.
- **Line 9:** Adds Excise Tax received, excluding the Excise Tax Replacement Credit, that is included in the County Auditor's distribution but not in the treasurer's certified collection.
- **Line 10:** Calculates the Reconciled Difference.



7.)	PLUS: STATE COMPTROLLER EXCISE TAX CUT REPLACEMENT DISTRIBUTION INCLUDED BY COUNTY AUDITOR IN EXCISE TAX, BUT NOT RECEIVED BY COUNTY TREASURER BY TREASURER CERTIFICATION DATE AND NOT INCLUDED IN TREASURER'S CERTIFIED AMOUNT	0.00		
	(See Note at the bottom of this worksheet)			
8.)	MINUS: EXCISE TAX RECEIVED AFTER THE AUDITOR CUT-OFF DATE	0.00		
	(See Note at the bottom of this worksheet)			
	(This is the excise tax received by the treasurer after the auditor's cut-off date and included in the treasurer's certification, but not included in the auditor's excise tax)			
9.)	PLUS: EXCISE TAX INCLUDED BY COUNTY AUDITOR IN EXCISE TAX AND IS EXCISE TAX RECEIVED WITHIN THE COUNTY AUDITOR'S EXCISE TAX CUT-OFF DATE, BUT NOT YET POSTED TO THE COUNTY TREASURER'S CASH BOOK AND NOT INCLUDED IN THE TREASURER'S CERTIFIED AMOUNT	0.00		
	(See Note at the bottom of this worksheet)			
10.)	EQUALS: RECONCILED DIFFERENCE	0.00		

Reconciliation Continued

- The Step 10 Reconciled amount should be \$0.
- With a reconciled amount of \$0, the county can be confident that all excise taxes have been distributed.
- If there's a balance remaining:
 - Review the worksheet for data entry errors.
 - Verify all deposits are accounted for by both offices.
 - Verify each type of excise being distributed agrees with the amounts on the treasurer's cashbook as of the auditor cutoff date.
 - Verify the correct amount is being distributed.
 - Do not force balancing to avoid over/under distributing excise.



Frequently asked Questions (FAQS)



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FAQ #1 – Wheel & Sur Tax

Question: Should I include the Wheel & Sur Tax amounts in the settlement documents?

Answer: Wheel & Sur Tax is not included in the settlement process or on the settlement forms. The Comptroller provides a spreadsheet that can be used to calculate the distributions.



FAQ #2 – Vehicle Sharing

Question: Our County Treasurer received an ACH for Vehicle Sharing excise. Where can I find the report with the breakdown by taxing district?

Answer: The Indiana code does not require the entity to provide the taxing district, only the county in which the tax was paid. The county may distribute :

- Proportionally between all taxing districts, or
- To the largest taxing district.



FAQ #3 – Vehicle Sharing

Question: Which settlement documents include the Vehicle Sharing excise?

Answer: Vehicle Sharing excise is the newest excise collected by the State and will be included on both settlement documents:

- Total excise available for distribution **Form 105**; and
- **Excise Tax Allocation worksheet** (includes a dedicated column)



FAQ #4 – Advance Requests

Question: The county received a request for an advance of Excise Taxes collected. Do I have to process an advance?

Answer: IC 5-13-6-3 provides for the authority to make advancement of taxes collected. If a unit of government provides a written request for an advance, the county **must** provide an advance to the unit within 30 days of the request of no more than 95% of the total collected or 95% of the amount to be distributed at settlement.



FAQ #5 – Excise Cut-Off Dates

Question: What is the excise cutoff date? How do I pick a cutoff date?

Answer: The County Auditor cutoff date is the date chosen to provide excise collections for settlement. The County Treasurer cutoff date is the date excise collections are certified to the County Auditor.

- The County Auditor and County Treasurer cutoff dates should always be different.
- Excise received after the County Auditor cutoff date will need to be tracked and distributed in the next settlement.



FAQ #6 – Excise Reconciliation

Question: What happens if the auditor and treasurer cannot reconcile? Will our settlement be denied?

Answer: All efforts must be made to reconcile. If all efforts are exhausted and reconciliation has not been met, contact the State Comptroller's Office to make the determination based on the amount of variance and timing of the settlement filing.



FAQ #7 – Excise Reconciliation

Question: How often should the County Auditor and County Treasurer reconcile settlement activity?

Answer: The County Auditor and County Treasurer should reconcile at least once a month to avoid any issues during the time of settlement.



Questions & Contact Information

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