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MEMORANDUM

TO: County Auditors

FROM: Janie Cope, Local Government Specialist

DATE: May 30, 2025

SUBJECT: Financial Institutions Tax Distribution

The Office of Indiana State Comptroller (Comptroller) has processed the June 2025 Financial Institutions Tax (FIT) distribution. These funds should appear in your designated bank account within the next few days.

The FIT distribution must be deposited into the FIT Fund (SBOA fund 6051) and then redistributed to eligible taxing units within your county. [Indiana Code 6-5.5-8-2](#) outlines the procedures for the calculation and distribution. The FIT is required to be distributed to taxing units at the same time the County Auditor makes the semiannual distribution of real property taxes to the taxing units.

The Comptroller's Fiscal Year 2025 FIT distribution report provides the apportionment calculation for each county's FIT and only lists those taxing units eligible to receive FIT distributions. **Taxing units that do not qualify for a FIT distribution are not listed on the Comptroller's report.** The Comptroller's FIT report can be found on the Comptroller website [here](#). The 2025 title is derived from the State's fiscal year ending June 30, 2025, not calendar year 2025.

The Comptroller's FIT distribution report contains:

- Previous state fiscal year (SFY) FIT revenue;
- Total FIT distributions amount, listing by name and levy type of all taxing units that had a calendar year 2012 FIT guaranteed distribution amount;
- 2012 FIT guaranteed distribution amount;
- Full fiscal year allocation of the total FIT distributed;
- November 2024 distribution amount; and
- May 2025 distribution amount.

The FIT distribution to taxing units by fund is calculated by following the four steps described below.

The calculation requires using the 2024 pay 2025 certified property tax rates for each taxing unit (by fund) and the May 2025 distribution amount of the taxing unit on the Comptroller's FIT distribution report. Counties that have adopted Local Income Tax (LIT) for property tax operating levy freeze are required to add the LIT property tax levy freeze equivalency rates with the certified tax rates to determine each fund's share of FIT. This is accomplished by using the Indiana Department of Local Government and Finance (DLGF) calculated 2025 LIT equivalency rates, which can be found by clicking your specific county on the DLGF website.

Step One – Calculate the Allocation Factor

The allocation factor for each taxing unit is calculated by dividing the May 2025 distribution amount for the taxing unit (from the Comptroller's FIT distribution report) by either (i) the taxing unit's total 2024 pay 2025 certified property tax rate for all funds or (ii) for levy freeze counties, the 2024 pay 2025 certified property tax rate plus the total 2024 pay 2025 LIT equivalency rates for each fund.

Township Civil & Fire Allocations: Townships may have a separate FIT allocation for both the civil property tax funds and the fire/EMS property tax funds. The civil township fund rates are the township rates **excluding** the fire/EMS rates. For township taxing units, the civil allocation factor is calculated by dividing the civil amount shown on the FIT report by the total of the township taxing unit fund rates **excluding** the fire/EMS fund(s) rates. The fire allocation factor is determined by dividing the fire amount shown on the report by the total of **only** the township fire/EMS fund(s) rates.

Fire Territory Note: If a fire territory exists, then the fire territory rate(s) is (are) included in the allocation of FIT for the provider taxing unit and each participating taxing unit. The participating taxing unit(s) will determine if the amount is sent on to the fire territory.

Step Two – Calculate Distribution by Fund

For each taxing unit, the distribution by fund is calculated by multiplying the taxing unit's allocation factor (determined in Step One) by either (i) the 2024 pay 2025 certified property tax rate for each taxing unit fund or (ii) for levy freeze counties, the 2024 pay 2025 certified property tax rate plus the 2024 pay 2025 LIT equivalency rates for each fund.

Step Three – Review Calculation

For each taxing unit, sum the fund amounts determined in step two to calculate the total distribution to the taxing unit. Compare the calculated distribution for each taxing unit to the Comptroller's FIT distribution report – May 2025 Distribution amount for each taxing unit.

The amount calculated should agree with the Comptroller's FIT distribution report. Any small variances, usually less than one dollar (\$1.00), could be attributed to rounding. Any rounding differences will need to be allocated back to the taxing unit funds. The method of allocating the rounding amount can be determined by the County Auditor, but needs to be well documented.

Step Four – Distribute to Tax Units and Create Form 22

Along with each taxing unit's share of FIT, a certificate of tax distribution (Form 22) labeled "May FIT Distribution" must be provided. The Form 22 must show the FIT amount for each fund.

The Comptroller's Office is at your service – contact the Local Government Division with any questions at localgovernment@comptroller.in.gov or call Janie Cope at 317-233-1712.