



MEMORANDUM

TO: County Auditors

FROM: Accounting and Reporting Department

SUBJECT: Commercial Vehicle Excise Tax (CVET) Distribution

DATE: May 15, 2026

As a result of the 2025 legislative session, [House Enrolled Act \(HEA\) 1392](#) was signed into law, effective July 1, 2025. This law amended the Commercial Vehicle Excise Tax (CVET) distribution provisions outlined in Indiana Code [§ 6-6-5.5-20](#). These changes simplified the distribution process and relieved County Auditors of the responsibility for calculating fund-level allocations to local recipients.

Update Under HEA 1392

Prior to July 1, 2025, County Auditors were required to perform a fund level calculation prior to distribution to other local units. HEA 1392 eliminated this requirement. Now, County Auditors will use the State Comptroller's report to distribute the lump sum to the eligible unit.

Upon receiving the funds, HEA 1392 allows taxing units to deposit CVET distributions into any fund they maintain and to use the funds for any purpose permitted by law.

The sections below are included for your reference regarding this process.

CVET Process Overview

Each March, the Comptroller's Office calculates the total amount of taxes collected by the State for CVET in the previous calendar year (State Fund 75115). From this total, the portion designated for local governments is determined and distributed in two semiannual payments: (a) before May 1 and (b) before December 1.

The Comptroller's Office calculates the amount each county and eligible school unit will receive, as outlined in Indiana Code [§ 6-6-5.5-20](#). These amounts are posted online and sent to County Auditors, who then deposit the funds into the CVET Fund (SBOA Fund 6023). County Auditors must redistribute the funds to eligible taxing units within their county, following the State Comptroller's report. CVET distributions must occur at the same time as property tax distributions.

CVET Resources

The State Comptroller finalizes the calendar year total and semiannual distribution amounts for all eligible recipients. The report is posted on the Comptroller's website [here](#).

CVET History

Prior to January 1, 2000, commercial vehicles were taxed as personal property. When the State shifted to collecting excise taxes, CVET was created to offset the loss of local property tax revenue.

To determine how to distribute CVET funds, the State worked with local officials to calculate the total assessed value (TAV) of commercial vehicles statewide within each taxing district. These figures were used to determine each county's share of the statewide total and each unit's share of the countywide total. These unit-level percentages became known as "base revenue."

Starting January 1, 2009, base revenue amounts for counties and units were frozen and until now have remained unchanged. The updates included in HEA 1392 (2025) simplified the process of depositing CVET funds at the county level only, and do not impact CVET eligibility, the county allocation percentage or an eligible unit's base revenue.

We are at your service to answer questions and address any concerns. Please contact our office at 317-233-1712 or LocalGovernment@comptroller.in.gov.