

SPECIAL PROCESSES & PROCEDURES

PROCESSING TAX WARRANTS

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Notice to Individuals who are the subject of a tax warrant:

This information is provided to circuit clerks as a brief instruction guide on how to handle a tax warrant once the Department of Revenue has filed it with the county.

If you are the subject of a tax warrant and need information, contact the:

- **circuit clerk of the county where the tax warrant was filed (contact information for county circuit clerks can be found at: <https://www.in.gov/judiciary/2794.htm>),**
- **county sheriff of the county in which the tax warrant was filed, or**
- **Indiana Department of Revenue (website <https://www.in.gov/dor/>).**

Neither Jeff Wiese nor the Indiana Office of Court Services has access to the amount of an individual's tax warrant, nor can it provide guidance on how to pay the amount due.

Tax warrants create liens against property to collect unpaid taxes (income or otherwise) and are filed by the Department of Revenue (DOR) in the county or counties where the taxpayer owns property. Tax sales are different and occur when a real estate owner has failed to pay real property taxes for three periods (1.5 years). The processing of real estate tax sales is discussed in a different chapter.

Ind. Code 6-8.1-8-2 establishes the authority and process for the DOR to record tax warrants with the Circuit Court Clerk. The DOR, under certain parameters, may issue a tax warrant for unpaid tax, interest, penalties, collection fee, sheriff's costs, circuit clerk's costs, and other fees, including a collection fee. The warrant must be filed with the Clerk within five (5) days after the DOR issues the warrant.

The circuit clerk enters the following information in the judgment book:

- the name of the person owing the tax,

- the amount of the tax, interest, penalties, collection fee, sheriff's costs, circuit clerk's costs and other fees, and
- the date the warrant was filed with the circuit clerk.

Once the entry is made, the total amount of the tax warrant becomes a judgment against the person owing the tax. The judgment creates a lien in favor of the state that attaches to the person's interest in any chose in action in the county and any real or personal property in the county except negotiable instruments not yet due.

When the tax is paid, a Satisfaction of Lien is mailed to the circuit clerk who then combines the satisfaction with the old tax warrant in the judgment book and records the Satisfaction. If the DOR determines that the filing of a warrant was in error, or if the DOR determines that the release of the judgment and expungement of the tax warrant are in the best interest of the state, the department will mail a release of judgment to the taxpayer and the circuit clerk of each county where the warrant was filed. The department will also mail to the circuit clerk an order for expungement of the warrant and the circuit clerk is required to expunge the warrant from the judgment debtor's column of the judgment record.

Processing Tax Warrants

Tax warrants are now transmitted to circuit clerks through an e-Tax Warrant application in INcite¹ or by accessing electronic tax warrant information directly from the DOR.

The INcite e-Tax Warrant application allows circuit clerks to seamlessly process tax warrants electronically, reducing data entry, making the records searchable and ensuring timely and accurate records. The e-Tax Warrant application is free of charge to the counties and is available through INcite.

Using the e-Tax Warrant application, the DOR provides an electronic file with tax warrants to be processed by the circuit clerk. INcite creates an electronic judgment book record of the filing. The filing information is sent back to the DOR electronically so DOR staff can send the \$3 per filing payment to the circuit clerk. When the taxes are paid to the DOR, the

¹ Created by Court Technology and the DOR.

satisfaction is electronically recorded against the original judgment. Thus, circuit clerks no longer need to enter the tax warrant judgment into the county judgment docket because the e-Tax Warrant application creates an electronic judgment docket.

Although tax warrants no longer receive court case numbers, circuit clerks must ensure that tax warrant information is available to the public in some manner. This could be done by providing access to the INcite e-Tax Warrant application through a public terminal in the circuit clerk's office or other public access to tax warrants.

When a Tax Warrant becomes a Court Case.

Previous instructions from the Office of Court Services advised the circuit clerk to assign a CB (Court Business) case to the tax warrant but this procedure **is no longer necessary**. Tax warrants are not court cases so there is no reason to issue court case numbers for them.² However, if a tax warrant is challenged, the issue becomes a court case and, at that time, the circuit clerk should open a court case with a Miscellaneous (MI) case number.

Circuit clerk Duties:

- Deposit DOR checks for the \$3 filing fee as a miscellaneous cash receipt. Because a CB case designation is no longer applicable to tax warrants, it is unnecessary to assess the \$3 fee and post the \$3 payment to each CB case.
- Continue recording tax warrant judgments in the judgment docket if not received electronically [see I.C. 6-8.1-8-2(d)]. However, circuit clerks using the INcite e-Tax Warrant application or otherwise receiving the warrants electronically do not need to record tax warrant judgments in the county judgment docket because an electronic tax warrant judgment docket is automatically created.
- As noted above, if a tax warrant is challenged, create a Miscellaneous (MI) case for the court proceedings.

² Court Technology will remove all CB case numbers created for tax warrants in the Odyssey system.

- If the ten-year period under I.C. 6-8.1-8-2(f) for enforcement of a judgment expires, the circuit clerk is not required to take any action because the judgment is no longer valid or enforceable.