

---

# STATE OF INDIANA

---

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 974-1629

**TO:**           **Brown County Auditor**  
                  **Carroll County Auditor**  
                  **Jasper County Auditor**  
                  **Jay County Auditor**  
                  **Marion County Auditor**  
                  **Morgan County Auditor**  
                  **Parke County Auditor**  
                  **Pulaski County Auditor**  
                  **Wabash County Auditor**  
                  **Warren County Auditor**  
                  **Wells County Auditor**

**FROM:**       **Fred Van Dorp, Budget Division Director**

**SUBJECT:**   **2020 Levy Freeze Certification and Equivalency Rates**

**DATE:**       **February 12, 2020**

The Department of Local Government Finance (“Department”) is issuing this memorandum to county auditors in conjunction with posting the 2020 Local Income Tax (“LIT”) Levy Freeze Certification and Equivalency Rates report (“Report”). Using the Report, the county auditor will be able to begin making the 2020 LIT levy freeze distributions to the local units and adding the equivalency rates to their tax and billing system for use during the semiannual settlement of property taxes.

The memo is separated into two sections. The Report section of the memo contains a listing of the recipients, the portion of their distribution that is based on their max levy type, and four calculations along with an explanation of either how this calculation was performed or what this calculation represents to the county and/or recipient. The Levy Freeze Status section of the memo contains the current LIT levy freeze for each county.

## **Report Section**

---

### **Levy Freeze Amount (IC 6-3.5-1.5-1(b) – Repealed January 1, 2017) Column**

The amount in this column serves two purposes. First, this is the maximum LIT levy freeze dollars that a unit is eligible to receive in the current year. Second, this is the amount of their levy that is fund by the LIT levy freeze revenue. For “frozen” counties, the column represents the total growth in max levies since the adoption of the levy freeze rate. For “thawed” counties, this represents the amount of operating LIT generated in the last budget year in which the county was frozen.

**LIT Equivalency Rate Column**

The LIT equivalency rate is the portion of the property tax rate that would have been imposed had the county elected to fund the Levy Freeze Amount through property tax levy instead of LIT Levy Freeze revenues. This rate will need to be entered into the county’s tax and billing system. Please note that it is possible for a unit to have a certified rate of zero for the fund listed, but still, have an equivalency rate.

**Levy Freeze Distribution (IC 6-3.5-1.1-24(g); IC 6-3.5-6-30(g) – Repealed) Column**

This amount is calculated using the portion of the 2019 LIT Certified Shares distribution generated by the county’s current LIT levy freeze rate and represents the unit’s share of the actual dollars raised by the levy freeze rate adopted for 2019.

**Difference**

This column is the difference between the Levy Freeze Amount and Levy Freeze Distribution Columns.

All units will have differences between the Levy Freeze Amount and the Levy Freeze Distribution. For counties with a positive amount in this column, it means that for the current year, the levy freeze rate is generating more LIT revenue than the units would have generated in property tax. In this scenario, the county would distribute the amount in the levy freeze column to each unit, then the deposit the amount in the difference column into the county stabilization fund.

For counties with a negative amount in this column, it means that for the current year, the county levy freeze rate is generating less revenue than the units would have generated in property tax. In this scenario, the counties will use the balance in their stabilization fund to make up the difference. If the stabilization fund balance is zero, the county would distribute the amount in the levy freeze distribution column to each unit.

**2020 Levy Freeze Status**


---

| <b>County Name</b> | <b>Property Tax Levy Status</b> |
|--------------------|---------------------------------|
| Brown County       | Thawed                          |
| Carroll County     | Frozen                          |
| Jasper County      | Thawed                          |
| Jay County         | Thawed                          |
| Marion County      | Thawed                          |
| Morgan County      | Thawed                          |
| Parke County       | Thawed                          |
| Pulaski County     | Thawed                          |
| Wabash County      | Thawed                          |
| Warren County      | Thawed                          |
| Wells County       | Thawed                          |

Questions may be directed to the Department’s [Budget Field Representative Team](#).