
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: All Political Subdivisions

FROM: Fred Van Dorp, Budget Director

SUBJECT: 2021 Local Income Tax Estimates

DATE: July 10, 2020

Governor Eric Holcomb issued Executive Order #20-31 on June 3, 2020. The Order extends certain statutory deadlines for the calculation and distribution of local income tax (“LIT”) revenue. The Department issued a memo that outlines the several key provisions of the Order on June 8, 2020, available on the [Department’s website](#). Included in those changes was an extension of the deadline under IC 6-3.6-9-5(a) for the SBA to provide to the Department and each county auditor an estimate of the distribution of LIT revenue to the county is from August 2, 2020, to September 15, 2020.

Historically, the first round of SBA certified LIT estimates are released on August 2, which is two weeks into the Department’s budget workshop season. This year, the first round of SBA certified LIT estimates will not be available until the budget workshop season has ended. In order to provide a consistent approximation of the LIT figures to all political subdivisions, the Department will be releasing a LIT amount that will be used during the budget workshops.

The approximations are calculated using three principles:

- 1.) LIT amounts are based on 90% of the 2020 County Certified Totals.
- 2.) LIT allocations are based on the 2021 values for each unit.
- 3.) LIT allocations have been adjusted to account for legislative changes found in HEA 1113-2020.

In short, for these approximations, the Department used the current allocation values for each unit along with the 90% of last year’s LIT totals for each county. **These values are not based on the 2019 earnings or 2020 processed collections and do not represent a 2021 COVID adjusted figure for each unit.**

Units may choose to use the Department’s LIT approximation or they may use internally calculated LIT estimates as they work on their budgets. In either case, units will have an opportunity to replace their LIT estimates with certified amounts either prior to submitting the final miscellaneous revenue amount in Gateway or during their 10-day 1782 window.

If you have questions about LIT amounts, contact Budget Director Fred Van Dorp at fvandorp@dlgf.in.gov.