



# Department of Local Government Finance

## Property Tax Caps (“Circuit Breaker”) Presentation 3 of 3

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# Property Tax Caps (“Circuit Breaker”) Recap

- Webinar #1 defined CB, then traced the CB back to its origins on the tax bill.
  - Video: <https://youtu.be/W6EEQVmAkWk>
- Webinar #2 examined the relationship between budgeting and CB, and traced the CB from the July Estimates to the Form 4B to the April Actuals Reports.
  - Video: [https://youtu.be/HJR-dFH\\_G3o](https://youtu.be/HJR-dFH_G3o)
- Webinar #3 will examine:
  - How each unit’s portion of the 1%/2%/3% CB is calculated.
  - How each fund’s portion of the 1%/2%/3% CB is calculated.



# Agenda

1. Advanced Budget Orders Details
2. Standard Property Tax Distribution
3. Circuit Breaker Calculation Overview
  - Circuit Breaker Allocation by Unit and Fund
  - Examples
    - Standard
    - Protected Funds
    - Exempt and Protected Funds
4. Frequently Asked Questions



# Advanced Budget Orders Details

<u>Fund</u>	<u>Fund Name</u>	<u>Certified Budget</u>	<u>Certified AV</u>	<u>Certified Levy</u>	<u>Certified Rate</u>
<b>0101</b>	<b>GENERAL</b>	\$77,329	\$246,743,661	\$41,206	\$0.0167
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
<b>0840</b>	<b>TOWNSHIP ASSISTANCE</b>	\$17,000	\$246,743,661	\$10,363	\$0.0042
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					

- Traditionally, units use the Budget Order for their certified budget (approved spending) and levies (expected property tax) for the upcoming year.
- Certified AV represents the service area for the fund, the amount of taxable property in that area, and, by extension, who will be paying property tax for that service.



# Advanced Budget Orders Details

FC	FUND NAME	TDC	District Name	Adjusted Net AV
0101	GENERAL	009	Smith Township	\$166,717,926
		010	Churubusco Town	\$80,025,735
		<b>0101 - TOTAL NET AV</b>		<b>\$246,743,661</b>
0840	TOWNSHIP ASSISTANCE	009	Smith Township	\$166,717,926
		010	Churubusco Town	\$80,025,735
		<b>0840 - TOTAL NET AV</b>		<b>\$246,743,661</b>

- While represented by a single figure on the Budget Order, the AV crosses into two separate geographic areas in the county.
- The property owners in both TD 009 and 010 will pay the general and township assistance rates as part of their tax bill.
- As part of the Budget Certification, the Department will aggregate tax rates for each taxing district.



# Advanced Budget Orders Details

- In addition to the fund and unit certifications, the Department certifies the total taxing district rates for each county.
- Each taxing district represents a unique geographic area in the county where the taxpayers are paying for the same services from the same units.

		2022 TAX RATES (Per Taxing District)	
Year : 2022			
County: 92 Whitley			
			<i>FOR COMPARISON ONLY</i>
	Taxing District	2022 District Rate	2021 District Rate
001	Cleveland Township	1.8754	1.9116
002	South Whitley Town	2.8419	2.8524
003	Columbia Township	1.6452	1.6922
004	Columbia City	2.4392	2.5060
005	Etna Troy Township	1.4821	1.5214
006	Jefferson Township	1.5410	1.5845
007	Richland Township	1.8030	1.8471
008	Larwill Town	2.5306	2.6192
009	Smith Township	1.5313	1.6851
010	Churubusco Town	2.2754	2.3899
011	Thorncreek Township	1.6461	1.6911
012	Union Township	1.4949	1.5317
013	Washington Township	1.5515	1.5934
014	Columbia City - Union Township	2.4309	2.4969
016	Columbia Township MTE	1.6452	1.6922



# Advanced Budget Orders Details

- The units and funds on the table are all providing their services to the taxpayers in taxing district 009.
- The Department used the AV in TD 009 to calculate the tax rate for each of these funds.
- The total taxing district rate is 1.5313.

TD	UNIT	FUND	TAX RATE
009	COUNTY	0101	0.2841
009	COUNTY	0124	0.0055
009	COUNTY	0283	0.0259
009	COUNTY	0602	0.0011
009	COUNTY	0790	0.0534
009	COUNTY	0801	0.0277
009	COUNTY	2003	0.0011
009	COUNTY	2391	0.0150
009	TOWNSHIP	0101	0.0167
009	TOWNSHIP	0840	0.0042
009	TOWNSHIP	1111	0.0358
009	TOWNSHIP	1190	0.0328
009	TOWNSHIP	1312	0.0012
009	SCHOOL	0022	0.2552
009	SCHOOL	0180	0.2585
009	SCHOOL	3300	0.4835
009	LIBRARY	0101	0.0296
009	SPECIAL	8210	-



# Advanced Budget Orders Details

- The units and funds on the table are all providing their services to the taxpayers in taxing district 010.
- The Department used the AV in TD 010 to calculate the tax rate for each of these funds.
- The total taxing district rate is 2.2754.

TD	UNIT	FUND	TAX RATE
010	COUNTY	0101	0.2841
010	COUNTY	0124	0.0055
010	COUNTY	0283	0.0259
010	COUNTY	0602	0.0011
010	COUNTY	0790	0.0534
010	COUNTY	0801	0.0277
010	COUNTY	2003	0.0011
010	COUNTY	2391	0.0150
010	TOWNSHIP	0101	0.0167
010	TOWNSHIP	0840	0.0042
010	TOWNSHIP	1111	0.0358
010	TOWNSHIP	1190	0.0328
010	TOWNSHIP	1312	0.0012
010	TOWN	0101	0.4323
010	TOWN	0708	0.1718
010	TOWN	1301	0.0900
010	TOWN	2391	0.0500
010	SCHOOL	0022	0.2552
010	SCHOOL	0180	0.2585
010	SCHOOL	3300	0.4835
010	LIBRARY	0101	0.0296
010	SPECIAL	8210	-





# Advanced Budget Orders Details

	UNIT	TD RATE	% of TOTAL RATE
010	COUNTY	0.4138	18%
010	TOWNSHIP	0.0907	4%
010	TOWN	0.7441	33%
010	SCHOOL	0.9972	44%
010	LIBRARY	0.0296	1%
010	SPECIAL	-	0%
	TOTAL	2.2754	

	UNIT	TD RATE	% of TOTAL RATE
009	COUNTY	0.4138	27%
009	TOWNSHIP	0.0907	6%
009	TOWN	-	0%
009	SCHOOL	0.9972	65%
009	LIBRARY	0.0296	2%
009	SPECIAL	-	0%
	TOTAL	1.5313	

- In both taxing districts, taxpayers are paying the same county, township, library, and school rates.
- The town rate in TD 010 is the only difference between the two TDs.
- While there are similarities between the TDs, notice the percentage that each unit makes up of the total taxing district rate.



# Sample Tax Bill

- Once the bills are distributed, and the taxes are collected, to determine how the funds will be distributed requires a two step process:
  - Step 1: Calculate the percentage that each unit's tax rate makes up of the total taxing district rate.
  - Step 2: Calculate the percentage that each fund makes up of its unit's funds within the taxing district.



# Sample Tax Bills - \$500

STEP 1

	UNIT		TD RATE	% of TD RATE	Unit Distribution
010	COUNTY		0.4138	18%	91
010	TOWNSHIP		0.0907	4%	20
010	TOWN		0.7441	33%	164
010	SCHOOL		0.9972	44%	219
010	LIBRARY		0.0296	1%	7
010	SPECIAL		-	0%	0
	TOTAL		2.2754	100%	500.00

STEP 2

TD	UNIT	FUND	TAX RATE	% of TU Rate	Fund Distribution
010	TOWNSHIP	0101	0.0167	18.41%	3.68
010	TOWNSHIP	0840	0.0042	4.63%	0.93
010	TOWNSHIP	1111	0.0358	39.47%	7.89
010	TOWNSHIP	1190	0.0328	36.16%	7.23
010	TOWNSHIP	1312	0.0012	1.32%	0.26
	TOTAL		.0907	100%	20.00

	UNIT		TD RATE	% of TD RATE	Unit Distribution
009	COUNTY		0.4138	27%	135
009	TOWNSHIP		0.0907	6%	30
009	TOWN		-	0%	0
009	SCHOOL		0.9972	65%	326
009	LIBRARY		0.0296	2%	10
009	SPECIAL		-	0%	0
	TOTAL		1.5313	100%	500.00

TD	UNIT	FUND	TAX RATE	% of TU Rate	Fund Distribution
009	TOWNSHIP	0101	0.0167	18.41%	5.52
009	TOWNSHIP	0840	0.0042	4.63%	1.39
009	TOWNSHIP	1111	0.0358	39.47%	11.84
009	TOWNSHIP	1190	0.0328	36.16%	10.85
009	TOWNSHIP	1312	0.0012	1.32%	0.40
	TOTAL		.0907	100%	30.00

- Tax bills contain the aggregated tax rate for all units. When the bill is paid, the money is distributed proportionally among all units (Step 1) and funds (Step 2).
- In TD 010, of the \$500, \$20 would go the township, and of that \$20, \$3.68 would go to Fund 0101. In TD 090, \$30 would go to the township, and 5.52 would go to fund 0101.



# Summary

1. The Department certifies the taxes rates and the unit and the fund level.
2. The Department aggregates the tax rates at the taxing district level.
3. Tax Bills are distributed with the taxing district rate and property taxes are collected at a taxing district level.
4. The property tax distribution within a taxing district is based on the percentage each unit makes up of the total tax rate, then its distributed to each fund based on the percentage that the fund makes up of the total rate for the unit.



# Circuit Breaker: Unit and Fund

- In the previous section, we established how the collected property taxes are billed, collected, and distributed, but the Circuit Breaker (“CB”) represents the uncollectable portion of the tax bill. In this section, we will explore how the CB losses are allocated at the unit and at the fund level.
  - Example #1: Standard
  - Example #2: Protected Funds
  - Example #3: Exempted Funds



# CB Example #1: Standard Calculation

- Once the CB is calculated for the tax bill, to determine how each unit and fund is impacted will require a two step process:
  - Step 1: Calculate the percentage that each unit's tax rate makes up of the total taxing district rate.
  - Step 2: Calculate the percentage that each fund makes up of its unit's funds within the taxing district.
- For the Standard example, we will be assuming that the impacted unit does not have a debt or referenda fund.



# Example 1 – Step 1 Unit Allocation

	UNIT	TD RATE	% of TOTAL RATE	Unadjusted Tax Bill 500	CB Adjusted Tax Bill 400	CB Loss
010	COUNTY	0.4138	18%	91	73	18
010	TOWNSHIP	0.0907	4%	20	16	4
010	TOWN	0.7441	33%	164	131	33
010	SCHOOL	0.9972	44%	219	175	44
010	LIBRARY	0.0296	1%	7	5	1
010	SPECIAL	-	0%	-	-	-
	TOTAL	2.2754	100%	500.00	400.00	100.00

- Circuit breaker is allocated to the units in the taxing district in the same manner as the property taxes.
- The percentage the unit makes up of the tax rate will determine how much circuit breaker is allocated to that unit.



# Example 1 – Step 2 Fund Allocation

	UNIT	FUND	TAX RATE	% of TU Rate	Unadjusted Tax Bill 500	CB Adjusted Tax Bill 400	CB Loss
010	TOWNSHIP	0101	0.0167	18.41%	3.68	2.95	0.74
010	TOWNSHIP	0840	0.0042	4.63%	0.93	0.74	0.19
010	TOWNSHIP	1111	0.0358	39.47%	7.89	6.32	1.58
010	TOWNSHIP	1190	0.0328	36.16%	7.23	5.79	1.45
010	TOWNSHIP	1312	0.0012	1.32%	0.26	0.21	0.05
	TOTAL		.0907	100%	20.00	16.00	4.00

- Like the property tax revenue, the CB losses are allocated proportionally based on the tax rate for the unit.
- In Example 1, for this one tax bill, the unit will collect \$16 of property tax and lose \$4 to circuit breaker loss.





# CB Example #2: Protected Funds

- For the Example #2, we will be assuming that the impacted unit does has a debt fund.
- Once the CB is calculated for the tax bill, to determine how each unit and fund is impacted will require a two step process:
  - Step 1: Calculate the percentage that each unit's tax rate makes up of the total taxing district rate.
  - Step 2: Calculate the percentage that each fund makes up of its unit's funds within the taxing unit.



# CB Example #2: Protected Funds

Unit Type/Fund Name	Fund Code	Certified Levy	Levy Based on Abstract AV	Over 65 Circuit Breaker	1%/2%/3% Circuit Breaker	Total Circuit Breaker	Post-Circuit Breaker Levy	Exempt	Protected
County		\$7,451,305	\$7,550,928.96	\$42,531.19	\$40,002.21	\$82,533.39	\$7,468,395.57		
RAINY DAY	0061	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N
GENERAL	0101	\$5,115,794	\$5,184,192.65	\$29,200.36	\$29,297.83	\$58,498.19	\$5,125,694.46	N	N
2015 REASSESSMENT	0124	\$99,039	\$100,362.76	\$565.30	\$567.19	\$1,132.49	\$99,230.27	N	N
LEASE RENTAL PAYMENT	0283	\$466,382	\$472,617.35	\$2,662.05	\$0.00	\$2,662.05	\$469,955.30	N	Y
COMMUNITY SERVICES	0602	\$19,808	\$20,072.55	\$113.06	\$113.44	\$226.50	\$19,846.05	N	N

- In Example #1, all funds for the unit were impacted proportionally and simultaneously. In Example #2, we will look at how some funds are prioritized during the CB calculation.
- Debt funds are “Protected” from CB. While allocating the CB, funds that are not Protected will experience CB before the protected funds.



# Example 2 – Step 1 Unit Allocation

	UNIT	TD RATE	% of TOTAL RATE	Unadjusted Tax Bill 500	CB Adjusted Tax Bill 400	CB Loss
010	COUNTY	0.4138	18%	91	73	18
010	TOWNSHIP	0.0907	4%	20	16	4
010	TOWN	0.7441	33%	164	131	33
010	SCHOOL	0.9972	44%	219	175	44
010	LIBRARY	0.0296	1%	7	5	1
010	SPECIAL	-	0%	-	-	-
	TOTAL	2.2754	100%	500.00	400.00	100.00

- Circuit breaker is allocated to the units in the taxing district in the same manner as the property taxes.
- The percentage the unit makes up of the tax rate will determine how much circuit breaker is allocated to that unit.



# Example 2: Step 2 Fund Allocation

TD	UNIT	FUND	TAX RATE	% of TU Rate with Debt	% of TU Rate without Protected Fund	Unadjusted Tax Bill \$500	Adjusted Tax Bill \$400	CB Loss	PROTECTED FUND
010	COUNTY	0101	0.2841	68.66%	73.24%	62.48	49.29	13.19	
010	COUNTY	0124	0.0055	1.33%	1.42%	1.21	0.95	0.26	
010	COUNTY	0283	0.0259	6.26%	0.00%	5.70	5.70	0.00	Y
010	COUNTY	0602	0.0011	0.27%	0.28%	0.24	0.19	0.05	
010	COUNTY	0790	0.0534	12.90%	13.77%	11.74	9.26	2.48	
010	COUNTY	0801	0.0277	6.69%	7.14%	6.09	4.81	1.29	
010	COUNTY	2003	0.0011	0.27%	0.28%	0.24	0.19	0.05	
010	COUNTY	2391	0.0150	3.62%	3.87%	3.30	2.60	0.70	
		TOTAL		100%	100%	91	73	18	

- Fund 0283 represents 6.26% of the unit's total rate, and if not protected, it would take that percentage of the CB loss, but debt funds are protected from the impact of CB. Instead, the CB loss is re-allocated to non-protected funds.



# CB Example #3: Exempted Funds

Unit	Unit Type/Fund Name	Fund Code	Certified Levy	Levy Based on Abstract AV	Over 65 Circuit Breaker	1%/2%/3% Circuit Breaker	Total Circuit Breaker	Post-Circuit Breaker Levy	Exempt	Protected
SMITH-GREEN COMMUNITY SCHOOL CORPORATION	School		\$2,460,528	\$2,490,145.67	\$17,195.86	\$892.53	\$18,088.39	\$2,472,057.25		
	POST09 REF EXEMPT OPERATING	0022	\$629,690	\$637,269.53	\$4,400.71	\$0.00	\$4,400.71	\$632,868.83	Y	N
	RAINY DAY	0061	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N
	DEBT SERVICE	0180	\$637,832	\$645,510.09	\$4,457.61	\$0.00	\$4,457.61	\$641,052.47	N	Y
	EDUCATION	3101	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N
	OPERATIONS	3300	\$1,193,006	\$1,207,366.06	\$8,337.54	\$892.53	\$9,230.07	\$1,198,135.99	N	N

- Voter approved referenda (Operating, Capital, School Safety) are part of the tax rate, but are exempted from any CB calculation.
- As covered in Webinar #1, a referendum rate will increase the CB cap thereby eliminating any CB loss associated with that portion of the tax rate.
- When calculating the CB loss for all units and funds, the referendum rate will not be considered in Step 1 or Step 2.



# CB Example #3: Exempted Funds

- For the Example #3, we will be assuming that the impacted unit has an exempt fund.
- Once the CB is calculated for the tax bill, to determine how each unit and fund is impacted will require a two step process:
  - Step 1: Calculate the percentage that each unit's tax rate (adjusted for the referenda funds) makes up of the total taxing district rate.
  - Step 2: Calculate the percentage that each fund makes up of its unit's funds (adjusted for referenda funds) within the taxing unit.



## Example 3 – Step 1 Unit Allocation

- If there is an exempted fund anywhere in the taxing district, the calculation for Step 1 must be adjusted.
- The exempted fund is still a part of the tax bill, property tax collections, but it is not contributing to the circuit breaker losses.
- In Step 1, we will remove the exempted from the unit's total rate and the taxing district's total rate.

If there is no circuit breaker on the tax bill, then the full levy will be generated and to the underlying units and funds.

	UNIT	TD RATE		% of TOTAL RATE		Unadjusted Tax Bill 563		CB Loss
01X	COUNTY	0.4138		18%		102		0
01X	TOWNSHIP	0.0907		4%		22		0
01X	TOWN	0.7441		33%		184		0
01X	SCHOOL	<b>0.9972<sup>1</sup></b>		44%		247		0
01X	LIBRARY	0.0296		1%		7		0
01X	SPECIAL	-		0%		-		0
	TOTAL	2.2754		100%		563.00		0

If there is circuit breaker loss on the tax bill, the partial levy will be generated, and the CB loss will be applied to the funds and units that contributed to the CB loss.

	UNIT	TD RATE	TD RATE ADJ FOR REF		% of TD REF ADJ RATE		CB Adjusted Tax Bill 463	CB Loss
01X	COUNTY	0.4138	0.4138		20%		82	20
01X	TOWNSHIP	0.0907	0.0907		4%		18	4
01X	TOWN	0.7441	0.7441		37%		147	37
01X	SCHOOL	<b>0.9972<sup>1</sup></b>	<b>0.7420<sup>2</sup></b>		<b>37%<sup>2</sup></b>		210	37
01X	LIBRARY	0.0296	0.0296		1%		6	1
01X	SPECIAL	-	-		0%		0	-
	TOTAL	2.2754	2.0202		100%		463.00	100.00

- Note 1: The referendum rate for this TD was .2552. Since this rate did not contribute to the CB loss amount, it is removed from the consideration from any CB losses.
- Note 2: Notice how removing the exempt rate changes the percentage of the CB is allocated to the remaining units.





# Example 3 – Step 2 (No CB)

TD	UNIT	FUND	TAX RATE	% of TU Rate with Pro/Exe		Unadjusted \$563 Tax Bill		CB Loss	PROTECTED?	EXEMPT
010	SCHOOL	0022	0.2552	26%		63		0		Y
010	SCHOOL	0180	0.2585	26%		64		0	Y	
010	SCHOOL	3300	0.4835	48%		120		0		
	TOTAL					247		0		

- In the example above, the allocations are based on the total tax rate for each fund.
- If there were no CB, the protected and exempt designations for each fund would not factor into the amount of money distributed to the units.



# Example 3 – Step 2 (With CB)

TD	UNIT	FUND	TAX RATE		% of TU Rate without Pro / Exe		Adjusted Distribution	CB Loss	PROTECTED?	EXEMPT
010 <sup>1</sup>	SCHOOL	0022	0.2552		0%		63	0		Y
010 <sup>2</sup>	SCHOOL	0180	0.2585		0%		64	0	Y	
010 <sup>3</sup>	SCHOOL	3300	0.4835		100%		83	37		
	TOTAL						210	37		

- Note 1: Fund 0022 did not contribute to the CB loss, and will not share in the CB loss for the unit.
- Note 2: Fund 0180 did contribute to the CB loss, but is protected from the CB loss.
- Note 3: Fund 3300 did contribute to the CB loss, and is the only fund unprotected fund.



# Example 3 – Step 2 Unit Allocation

TD	UNIT	FUND	TAX RATE		Unadjusted \$563 Tax Bill		Adjusted Distribution	CB Loss	PROTECTED ?	EXEMPT
010	SCHOOL	0022	0.2552		63		63	0		Y
010	SCHOOL	0180	0.2585		64		64	0	Y	
010	SCHOOL	3300	0.4835		120		83	37		
	TOTAL				247		210	37		

- When there is CB, the protected and exempt designations prioritize how the CB are spread across each fund.
- Contrast this to Example 1, where all funds were impacted simultaneously, in Example 3, based on which type funds are being used, only one fund experienced CB loss.



# Frequently Asked Questions



# FAQ #1 – Limitations on Protected Funds

	UNIT	TD RATE	% of TOTAL RATE	Unadjusted Tax Bill 500	CB Adjusted Tax Bill 400	CB Loss
01Z	COUNTY	0.4138	18%	91	73	18
01Z	TOWNSHIP	0.0907	4%	20	16	4
01Z	TOWN	0.7441	33%	164	131	33
01Z	SCHOOL	0.9972	44%	219	175	44
01Z	LIBRARY	0.0296	1%	6.50	5.20	1.30
01Z	SPECIAL	-	0%	-	-	-
	TOTAL	2.2754	100%	500.00	400.00	100.00

- For protected funds, the circuit breaker will first be applied to the unprotected funds, but what happens if there more CB loss than levy in the unprotected funds?



# FAQ #1 – Limitations on Protected Funds

TD	UNIT	FUND	TAX RATE	% of TU Rate with Debt	% of TU Rate without Debt	Unadjusted Tax Bill \$500	Adjusted Tax Bill \$400	CB Loss	PROTECTED?
010	LIBRARY	0101	0.0006	2.03%	100.00%	0.13	0	0.13	
010	LIBRARY	0180	0.0290	97.97%	0.00%	6.37	5.20	1.17	Y
	Total		0.0296	100%	100%	6.50	5.20	1.30	

- After the unprotected fund was exhausted, the remainder of the circuit breaker loss was applied to the protected fund.
- Considering that the debt fund levy is based on upcoming payments, if the circuit breaker reduces the levy, will the unit be able to make their upcoming debt payments?



# FAQ #2 – What about Over 65 CB?

Unit Type/Fund Name	Fund Code	Certified Levy	Levy Based on Abstract AV	Over 65 Circuit Breaker	1%/2%/3% Circuit Breaker	Total Circuit Breaker	Post-Circuit Breaker Levy	Exempt	Protected
School		\$12,316,336	\$12,422,617.89	\$11,506.30	\$974,790.01	\$986,296.31	\$11,436,321.58		
RAINY DAY	0061	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N
DEBT SERVICE	0180	\$8,124,473	\$8,194,581.91	\$7,590.13	\$0.00	\$7,590.13	\$8,186,991.78	N	Y
EDUCATION	3101	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N	N
OPERATIONS	3300	\$4,191,863	\$4,228,035.97	\$3,916.17	\$974,790.01	\$978,706.18	\$3,249,329.80	N	N

- The Over 65 CB represents a portion of a tax bill that cannot be collected.
- The calculation uses the same two step approach as the bucket CB.
- In Step 2, Over 65 CB is allocated proportionally across all funds and, unlike bucket CB, does not consider a fund’s exemption or protection status. Debt and Referenda funds may not experience bucket CB, but they may experience Over 65 CB.



# FAQ #3 – How can I use this while budgeting?

- When estimating the CB loss for the ensuing year, the loss is generally proportional to the tax rate.

	Estimated Levy	Estimated Tax Rate	Protected?	CB Estimate #1	CB Estimate #2
FUND 1	100.00	0.25	No	40.00	10.00
FUND 2	100.00	0.25	No		10.00
FUND 3	100.00	0.25	No		10.00
FUND 4	100.00	0.25	No		10.00
TOTAL	400.00	1.00		40.00	40.00

- In both CB Estimates above, the unit is estimating \$40 of CB loss, but only example 2 considers how the CB will be calculated and applied to each fund.





# FAQ #4 – How can I use this while budgeting?

- The CB calculation is based on the tax rate. Funds without a tax rate cannot experience CB loss.
- Funds that are unable to levy (Rainy Day, Education Fund) will never experience CB.
- Funds that aren't levied in the current year will not receive CB loss in a year that there is no levy.

<u>Fund</u>	<u>Fund Name</u>	<u>Certified Budget</u>	<u>Certified AV</u>	<u>Certified Levy</u>	<u>Certified Rate</u>
<b>0061</b>	<b>RAINY DAY</b>	\$100,000	\$1,792,989,682	\$0	\$0.0000
Budget approved for displayed amount.					
<b>0101</b>	<b>GENERAL</b>	\$15,998,872	\$1,792,989,682	\$9,151,419	\$0.5104
Budget approved for displayed amount.					
Rate reduced to remain within statutory levy limitation.					
<b>0124</b>	<b>2015 REASSESSMENT</b>	\$290,605	\$1,792,989,682	\$211,573	\$0.0118
Budget approved for displayed amount.					
Rate reduced due to increased assessed valuation.					
<b>0590</b>	<b>CUMULATIVE COURT HOUSE</b>	\$0	\$1,792,989,682	\$68,134	\$0.0038
Rate Approved.					
<b>0702</b>	<b>HIGHWAY</b>	\$3,828,459	\$1,792,989,682	\$0	\$0.0000
Budget approved for displayed amount.					
<b>0706</b>	<b>LOCAL ROAD &amp; STREET</b>	\$737,500	\$1,792,989,682	\$0	\$0.0000
Budget approved for displayed amount.					



# FAQ #5 – How can I use this while budgeting?

- The Department will remove estimated CB loss from protected and exempt funds during the certification process.

	Estimated Levy	Estimated Tax Rate	Protected/ Exempt		CB Estimate #3	CB Estimate #4
DEBT	100.00	0.25	Protected		10.00	
DEBT	100.00	0.25	Protected		10.00	
CAPITAL REF.	100.00	0.25	Exempt		10.00	
OPERATIONS	100.00	0.25	None		10.00	40.00
TOTAL	400.00	1.00			40.00	40.00

- In both CB Estimates above, the unit is estimating \$40 of CB loss, but only example 4 considers how the CB will be calculated and applied to each fund.



# Contact the Department

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- Toll Free: (888) 739-9826
- Website: [www.in.gov/dlgf](http://www.in.gov/dlgf)
  - “Contact Us”: <https://www.in.gov/dlgf/contact-us/>
  - Budget Field Representative Map:  
<https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf>