
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Political Subdivisions

FROM: Anna Culy, Budget Division Director

RE: 2025 Supplemental Local Income Tax Distribution

DATE: May 9, 2025

The guidance below is to assist with the unit level calculations, distributions, and deposit of the 2025 Supplemental Local Income Tax (“LIT”) Distribution as certified by the State Budget Agency (“SBA”) on May 1, 2025. As per Ind. Code § 6-3.6-9-15(d)(3), the county auditor shall distribute the supplemental LIT amounts to each eligible recipient before June 1, 2025.

Eligibility for this distribution is based on the SBA calculation of your county’s 2023 Trust Account Balance and 2025 certified LIT distributions. This year there will be 84 counties eligible for the supplemental LIT distribution.

Along with this memo, the Department of Local Government Finance (“Department”) has posted unit-specific distributions for the supplemental LIT. The unit-level distributions are based on the county LIT configuration and the same allocation percentages used for the 2023 LIT distribution. The unit-level report will separate the supplemental distribution into separate pieces for Certified Shares, Public Safety, and Economic Development. A unit may use their supplemental distribution in accordance with any statutory stipulations associated with the type of LIT that they are eligible to receive. For example, if a unit receives a Public Safety supplemental distribution, it must be used for the same purposes outlined in statute for their Public Safety LIT.

County Auditors and Property Tax Relief

Ind. Code § 6-3.6-9-15(e) states that for any part of a supplemental distribution attributable to property tax relief credits, the adopting body for the county may allocate the supplemental distribution to property tax credits for not more than the three (3) years after the year the supplemental distribution is received. If the adopting body takes no action, the entire amount will be available for property tax relief in the ensuing year.

If you have questions about the distribution, please contact your [Department’s Budget Field Representative](#).