STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

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TO: **County Auditors and Redevelopment Commissions**

FROM: **Josh Jacoboski, Information Systems Division Director**

DATE: **June 26, 2026**

SUBJECT: **2026 Pay 2027 TIF Neutralization Worksheet**

Each year, the county auditor is responsible for submitting the Tax Increment Finance ("TIF") Neutralization Worksheet ("Worksheet") for each allocation area in the county. The neutralization process must be completed before a county may certify its assessed values to the Department of Local Government Finance ("Department"). **The CNAV application will not be available to a county until the TIF Neutralization reports are filed and approved by the Department.** Please note that House Enrolled Act ("HEA") 1210, as enacted during the 2026 legislative session, specifies that TIF Neutralization forms must be submitted by July 15 of each year.

This memorandum provides instructions on how to complete the worksheet via the TIF Neutralization Application ("Application") housed in Gateway. The Application appears within its own column on the far-right side of the TIF Management Application main menu. A user guide is available here.

Procedures for TIF Neutralization

The preparation of the worksheet cannot occur until the county auditor has received the gross assessed values from the county assessor and applied the appropriate deductions and exemptions. The county auditor will prepare a worksheet for each allocation area with real property assessed value in the county.

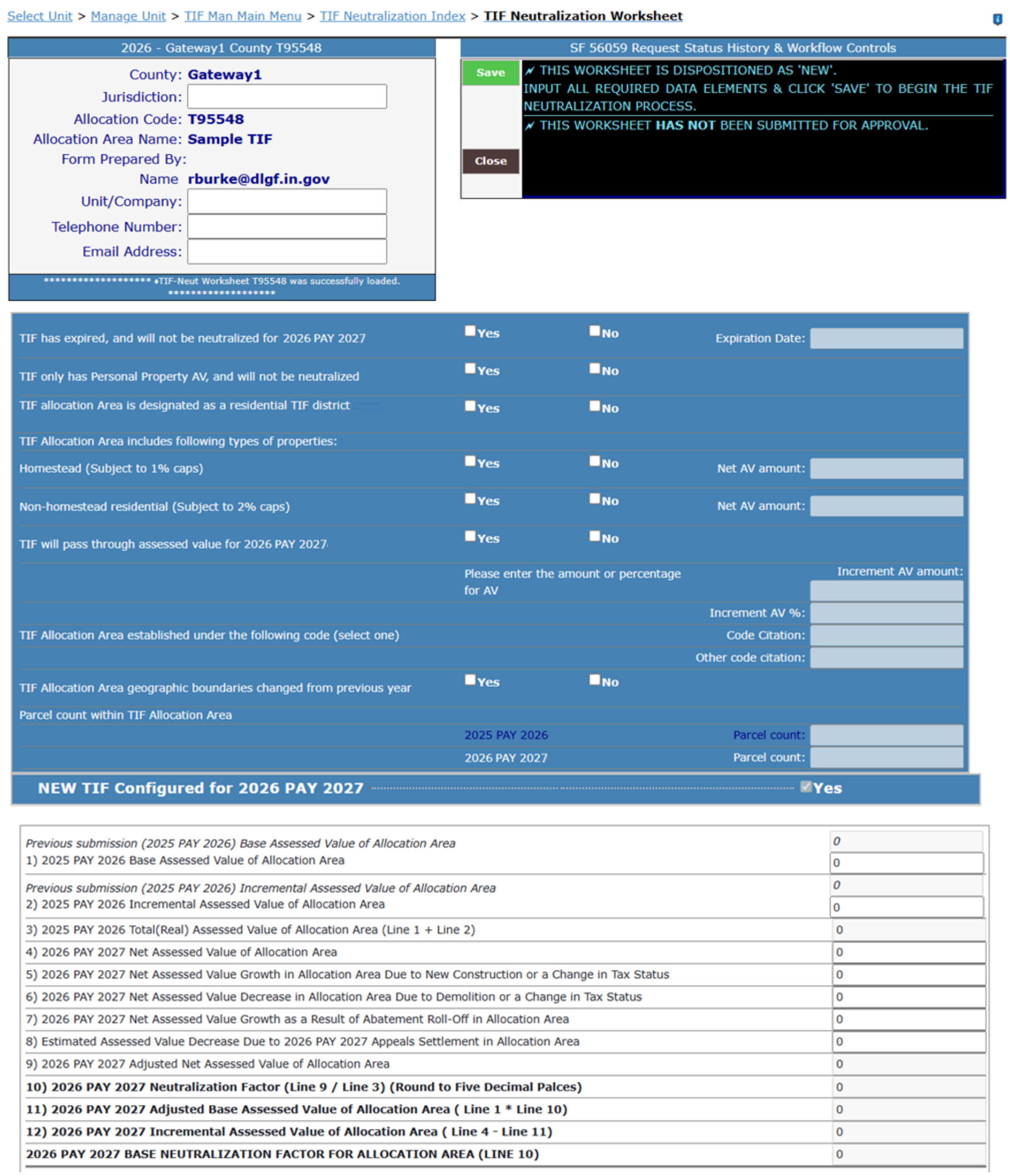
Personal property assessed value should not be included in the TIF Neutralization Worksheet. Additionally, allocation areas that only contain personal property assessed value do not require a worksheet to be completed.

After receipt of the worksheet from a county, the Department will review the submitted worksheet and work with the county auditor and/or the worksheet preparer to address any questions.

The county auditor will apply the base neutralization factor calculated on each worksheet to the allocation area within the county's tax and billing system. Questions about this process should be addressed to the county's tax and billing software vendor.

After the application of the base neutralization factors, the county auditor can complete the process of calculating net assessed values and certify these values to the Department through Gateway.

View of the TIF Neutralization Application on Gateway


Select Unit > Manage Unit > TIF Man Main Menu > TIF Neutralization Index > **TIF Neutralization Worksheet**

2026 - Gateway1 County T95548

County: **Gateway1**
Jurisdiction:
Allocation Code: **T95548**
Allocation Area Name: **Sample TIF**
Form Prepared By:
Name **rburke@dlgf.in.gov**
Unit/Company:
Telephone Number:
Email Address:

****************** •TIF-Neut Worksheet T95548 was successfully loaded. ******************

SF 56059 Request Status History & Workflow Controls

Save

THIS WORKSHEET IS DISPOSITIONED AS 'NEW'.
INPUT ALL REQUIRED DATA ELEMENTS & CLICK 'SAVE' TO BEGIN THE TIF NEUTRALIZATION PROCESS.
THIS WORKSHEET **HAS NOT** BEEN SUBMITTED FOR APPROVAL.

Close

TIF has expired, and will not be neutralized for 2026 PAY 2027	Yes	No	Expiration Date:
TIF only has Personal Property AV, and will not be neutralized	Yes	No	
TIF allocation Area is designated as a residential TIF district	Yes	No	
TIF Allocation Area includes following types of properties:			
Homestead (Subject to 1% caps)	Yes	No	Net AV amount:
Non-homestead residential (Subject to 2% caps)	Yes	No	Net AV amount:
TIF will pass through assessed value for 2026 PAY 2027	Yes	No	
	Please enter the amount or percentage for AV		Increment AV amount:
			Increment AV %:
TIF Allocation Area established under the following code (select one)			Code Citation:
			Other code citation:
TIF Allocation Area geographic boundaries changed from previous year	Yes	No	
Parcel count within TIF Allocation Area			
	2025 PAY 2026		Parcel count:
	2026 PAY 2027		Parcel count:

NEW TIF Configured for 2026 PAY 2027 Yes

Previous submission (2025 PAY 2026) Base Assessed Value of Allocation Area	*0*
1) 2025 PAY 2026 Base Assessed Value of Allocation Area	0
Previous submission (2025 PAY 2026) Incremental Assessed Value of Allocation Area	*0*
2) 2025 PAY 2026 Incremental Assessed Value of Allocation Area	0
3) 2025 PAY 2026 Total(Real) Assessed Value of Allocation Area (Line 1 + Line 2)	0
4) 2026 PAY 2027 Net Assessed Value of Allocation Area	0
5) 2026 PAY 2027 Net Assessed Value Growth in Allocation Area Due to New Construction or a Change in Tax Status	0
6) 2026 PAY 2027 Net Assessed Value Decrease in Allocation Area Due to Demolition or a Change in Tax Status	0
7) 2026 PAY 2027 Net Assessed Value Growth as a Result of Abatement Roll-Off in Allocation Area	0
8) Estimated Assessed Value Decrease Due to 2026 PAY 2027 Appeals Settlement in Allocation Area	0
9) 2026 PAY 2027 Adjusted Net Assessed Value of Allocation Area	0
10) 2026 PAY 2027 Neutralization Factor (Line 9 / Line 3) (Round to Five Decimal Palces)	0
11) 2026 PAY 2027 Adjusted Base Assessed Value of Allocation Area (Line 1 * Line 10)	0
12) 2026 PAY 2027 Incremental Assessed Value of Allocation Area (Line 4 - Line 11)	0
2026 PAY 2027 BASE NEUTRALIZATION FACTOR FOR ALLOCATION AREA (LINE 10)	0

TIF Allocation Area Identification Information

The following section provides a line-by-line guide on how to complete the first part of the worksheet.

County -

County number and name (Example: 01 – Adams).

Jurisdiction -

Name of county, city, or town that established the redevelopment commission or authority with oversight over the identified allocation area.

Allocation Area Code -

Each TIF district in the county should have a unique code assigned by the county auditor. This code should begin with the letter T, followed by the two-digit county number, followed by a three-digit number created by the county auditor to uniquely identify the allocation area within the county.

Each TIF district should have only one code. This means that TIF districts should neither be broken out by taxing district nor should expansions of an existing TIF district be provided a separate code. The TIF district should be neutralized and reported in its entirety.

Allocation Area Name -

The official name of the TIF district.

Form Prepared By -

The lines in this section should be completed with the information of a contact person the Department can contact if it has any questions about the worksheet. If a financial advisor has completed the worksheet, it is appropriate to place the financial advisor's contact information on these lines.

Questions or Statements Specific to Each TIF Allocation Area

The following section contains a series of questions or statements that should be answered for each TIF District. They represent questions most frequently received by the Department from local officials, taxpayers, or even legislators.

- TIF has expired and will not be neutralized for the current pay year (2026 Pay 2027). There will be a place to indicate Yes or No
  - This question, if answered yes, will have a data entry box for entering the anticipated or actual expiration date for the TIF to the right of the question.
- TIF only has Personal Property AV and will not be neutralized. There will be a place to indicate Yes or No.
- TIF Allocation Area is designated as a Residential TIF. There will be a place to indicate Yes or No.
- TIF Allocation Area has the following types of properties:
  - Homestead (Subject to 1% Cap). There will be a place to indicate Yes or No and have a place to enter the NAV amount in this bucket for this TIF Allocation Area.
- Non-homestead Residential (Subject to 2% Cap). There will be a place to indicate Yes or No and have a place to enter the NAV amount in this bucket for this TIF Allocation Area.
- TIF will pass through assessed value for 2026 Pay 2027. There will be a place to indicate Yes or No.

    - Additionally, there will be a space to notate the amount of AV being passed through or the % of AV that will be passed through.
- TIF Allocation Area established under the following code (select one). There will be a drop-down option to choose the correct code citation as well as the possibility of adding a second code citation.
- TIF Allocation Area geographic boundaries changed from the previous year. There will be a place to indicate Yes or No.
- Parcel County within the TIF Allocation Area
    - There will be a place to notate the parcel count within the allocation area for 2025 Pay 2026.
    - There will be a place to notate the parcel count within the allocation area for 2026 Pay 2027.
- New TIF Configuration For 2026 Pay 2027. There will be a place to indicate Yes or No.

Detailed Information about each Line of the Worksheet Proper

Line 1: 2025 Pay 2026 Base Assessed Value of Allocation Area -

This is the most recent base assessed value for the allocation area from the current tax year. The base assessed value is the amount of assessed value from the parcels included in the allocation area that was included in the tax base for the overlapping taxing units (county, township, city/town, school, library, and special districts). This should be the value after the Pay 2026 neutralization factor was applied and should also include any adjustments that occurred from assessed value certification to tax billing for Pay 2026. This could include but is not limited to any adjustments due to appeals or filing of deduction forms since certification.

Please note that the previous submission of Pay 2026 information has been pulled in as a comparable above Line 1. If there is a substantial change between the Pay 2026 information reported at the time of Abstract for a TIF Allocation Area and what is reported for Pay 2026 at the time of Neutralization for Pay 2027, it may trigger a threshold warning and require an answer.

Please note: TIF passthrough, if any existed, should not be included in the base assessed value reported on line 1.

Line 2: 2025 Pay 2026 Incremental Assessed Value of Allocation Area -

This is the most recent incremental assessed value for the allocation area from the current tax year. The incremental assessed value is the amount of assessed value from the parcels included in the allocation area that was captured by the redevelopment commission. This should be the value after the Pay 2026 neutralization factor was applied and should also include any adjustments that occurred from assessed value certification to tax billing for Pay 2026. This could include but is not limited to any adjustments due to appeals or filing of deduction forms since certification.

Please note that the previous submission of Pay 2026 information has been pulled in as a comparable above Line 2. If there is a substantial change between the Pay 2026 information reported at the time of Abstract for a TIF Allocation Area and what is reported for Pay 2026 at the time of Neutralization for Pay 2027, it may trigger a threshold warning and require an answer.

Please note: TIF passthrough, if any existed, should be included in the incremental assessed value reported on line 2.

Line 3: 2025 Pay 2026 Net Assessed Value of Allocation Area -
This is a calculated field. It is the sum of lines 1 and 2.

Line 4: 2026 Pay 2027 Net Assessed Value of Allocation Area -
The most current net assessed value available for the allocation area. This value should include any adjustments to the net assessed value due to annual adjustment or reassessment. It should also include the application of any deductions and exemptions.

Line 5: 2026 Pay 2027 Net Assessed Value Growth in Allocation Area Due to New Construction or a Change in Tax Status -
In order to isolate the effect of annual adjustment or reassessment on the net assessed values, changes in assessed values associated with actual construction must be removed from consideration. The worksheet preparer should identify new construction that has occurred in the allocation area since January 1, 2018. Possible sources for this information would include, but are not limited to, local officials, building permits, and property record cards. Additionally, the worksheet preparer should identify parcels that have experienced a change in property tax status, such as tax-exempt to taxable or a change in land use that would impact assessed values.

Line 6: 2026 Pay 2027 Net Assessed Value Decrease in Allocation Area Due to Demolition or a Change in Tax Status -
In order to isolate the effect of annual adjustment or reassessment on the net assessed values, changes in assessed value associated with demolition must be added back into the allocation area net assessed value to determine what the allocation area net assessed value would have been had the demolition not occurred. The worksheet preparer should identify demolition that has occurred in the allocation area since January 1, 2018. Possible sources for this information would include, but are not limited to, local officials, building permits, and property record cards. Additionally, the worksheet preparer should identify parcels that have experienced a change in property tax status, such as taxable to tax-exempt or a change in land use that would impact assessed values.

Line 7: 2026 Pay 2027 Net Assessed Value Growth as a Result of Abatement Roll-Off in Allocation Area -
Similar to line 5 above, it is necessary to remove increases in assessed value associated with abatement roll-off from consideration in order to isolate the impact of annual adjustment or reassessment on net assessed values in the allocation area. The worksheet preparer should utilize available abatement information to identify abatements existing within the allocation area and compute the amount of assessed value that was added to the allocation area from Pay 2024 to Pay 2026 due to abatement roll-off.

Line 8: Estimated Assessed Value Decrease Due to 2026 Pay 2027 Appeals Settlements in Allocation Area -

Due to the timing of when the worksheet is completed and approved as compared to the actual billing for Pay 2027, it is possible that the assessed value of the allocation area will change due to the settlement of appeals. This line represents an allowance for appeals that will be settled between Pay 2027 net assessed value certification and tax billing. In estimating this number, the worksheet preparer may consult with the county assessor to determine the number of appeals anticipated to be settled during the tax year and the approximate value of these appeals.

Line 9: 2026 Pay 2027 Adjusted Net Assessed Value of Allocation Area –

Line 9 is a calculated field. It is designed to provide a comparable tax base in the allocation area to the tax base that existed in Pay 2024. To arrive at this value, the worksheet adds line 4 and line 6, then subtracts lines 5, 7, and 8.

Line 10: 2026 Pay 2027 Neutralization Factor -

Line 10 is a calculated field. It is the calculation of the actual base neutralization factor that will be applied to the allocation area within the county's tax and billing system. It represents an approximation of the change in net assessed value that is due to annual adjustment or reassessment. It is calculated by dividing line 9 by line 3. It should be rounded to five (5) decimal places.

Line 11: 2026 Pay 2027 Adjusted Base Assessed Value of Allocation Area –

Line 11 is a calculated field. It is an estimate of the base assessed value in the allocation area for Pay 2027. It is calculated by taking line 1 (2024 Pay 2026 base assessed value) and multiplying it by line 10 (Pay 2027 neutralization factor).

Line 12: 2026 Pay 2027 Incremental Assessed Value of Allocation Area –

Line 12 is a calculated field. It is an estimate of the incremental assessed value in the allocation area for Pay 2027. It is calculated by taking line 4 (2026 Pay 2027 net assessed value) and subtracting line 11 (Pay 2027 base assessed value).

Previously, the form included three (3) other lines that estimated various dollar amounts and tax rates. These lines were informational only and have been removed from the form as a way to streamline its completion.

If you have any questions about the information above or on the TIF Neutralization Worksheet or the TIF Neutralization Application, please contact the Department's Support Team at Support@dlgf.in.gov.