

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: County Auditors, County Treasurers, Software and Print Vendors

FROM: Tim Jorzak, Director of Operations and Policy *TJ*

SUBJECT: Property Tax Billing in 2010: Issues and Suggestions

DATE: February 10, 2010

This memorandum is intended to give guidance on the 2010 tax bills and make suggestions to local officials about the process.

Regular Tax Bills (TS-1A)

The process for formatting, printing and mailing 2010 property tax bills remains similar to the 2009 bills. Counties still will need to submit their proposed TS-1 documents and remittance coupons to the Department of Local Government Finance ("Department") for approval prior to mailing. As in 2009, the Department requests counties send a hard copy of a real and personal property tax statement for our records. Vendors are encouraged to send templates early for approval so corrections can be made before problems arise. Minor tweaks to the TS-1 can be accommodated, provided they are approved by the Department; however, this should be the exception rather than the rule. Remittance coupons are more free-form, provided that they contain the information outlined in the attached documentation.

Indiana law requires that tax bills be mailed no later than 15 days before the anticipated first installment due date. Bills must be postmarked no later than April 23, 2010 for those counties achieving a May 10, 2010 first installment due date. If circumstances allow, the **Department supports a county's choice to mail bills earlier than this date to provide taxpayers with more notice** prior to the May 10, 2010 first installment due date.

Provisional Bills (TS-1P, TS-1EZP)

Counties unlikely to meet a May 10, 2010 due date may consider the option of a provisional bill. The Department has simplified the provisional tax bill process by creating another provisional bill format – the TS-1 EZP. Unlike the traditional provisional bill, the EZP allows a county to simply issue a bill for 50 percent of last year's amount, plus any other charges, and then reconcile the bill in the fall once the work has been completed. Counties have the option (depending on the capabilities of their software vendors) to issue provisional bills under the more complicated, existing TS-1P format.

The only change to the provisional billing process comes as a result of Public Law 87-2009. This requires that a provisional bill, just like the actual bill, list all of the credits and deductions that are on file for the property, and whether or not these are being applied to the provisional bill.

Homestead Verification Form

As a result of Public Law 87-2009, the Homestead verification form must be mailed with the tax statements beginning in 2010. This form requires taxpayers to signify, under the penalties of perjury, that they are eligible to receive the homestead standard deduction, and further requires that they certify their full legal name and last five digits of their social security and driver's license number. This form is to be printed on a different colored paper than the tax statement, and for the purposes of statewide consistency the Department is prescribes that the form be on PINK or similarly-colored paper.

As this is the first year county officials will be doing this, there are sure to be many logistical issues to be arranged. County officials know what works best in their courthouses, and under our principle of "Local Control" we do not intend to micromanage this process. Generally, however, treasurers and auditors should work together to optimize the work flow as the homestead forms arrive so that each office can access what they need.

The Department is assembling a communications plan to handle the inquiries that we are certain to receive. This will be released early this spring as tax bills are ready to be mailed. This will include information for the media and the general public on the forms and their purpose.

Please find attached the TS-1A, TS-1P, and TS-1X documentation, released last summer and fall; documentation information for the TS-1 EZP; and the homestead verification memorandum and frequently asked questions document, also released late last year.

If you have any questions, please contact Tim Jorczak at tjorczak@dlgf.in.gov, or 317-234-5675.