

# 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) 232-8779

**TO:** All local officials

**FROM:** Brian E. Bailey, Commissioner **BEB**

**RE:** Adjustment of Maximum Tax Rates after Reassessment or Annual Adjustment

**DATE:** August 31, 2010

The purpose of this memorandum is to communicate changes to the formula the Department of Local Government Finance ("Department") uses in the adjustment of maximum tax rates after reassessment or annual adjustment pursuant to IC 6-1.1-18-12(e). This formula is most commonly used for the adjustment of maximum tax rates for capital projects and cumulative funds. Please see IC 6-1.1-18-12(d) for a full list of maximum tax rates that use this formula.

As a result of a recent Tax Court decision, beginning with the calculation for the 2011 budget year, the Department will now enter a zero (0) into STEPS TWO and FOUR when there would have otherwise been a negative value because of a drop in assessed values. *DeKalb County E. Cmty. Sch. Dist. V. Dep't of Local Gov't Fin.*, --N.E.2d--, 2010 Ind. Tax LEXIS 28 (Ind. Tax Ct. July 20, 2010).

A unit's STEP SEVEN value for 2010 will be used as the STEP ONE value for the calculation for 2011, as has been past practice.

If you have any questions, please contact Micah Vincent, General Counsel, at (317) 233-6770 or [mvincent@dlgf.in.gov](mailto:mvincent@dlgf.in.gov).