

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) 974-1629

TO: Political Subdivisions

FROM: Wesley R. Bennett, Commissioner

RE: 2018 Supplemental Local Income Tax Distribution

DATE: May 15, 2018

On May 1, 2018, the State Budget Agency (“SBA”) released a memo detailing the amounts of supplemental distributions for qualifying counties pursuant to Indiana Code 6-3.6-9-15. Upon notification of supplemental distribution amounts from SBA, the Department of Local Government Finance (“Department”) is tasked with calculating the unit-level distributions. This year, units in 30 counties will receive a distribution. The unit-level reports may be found on the Department’s website at <http://in.gov/dlgf/2339.htm>, located under the Statewide Reports section. Reports will be posted to individual county pages over the next week.

To calculate the unit-level distributions, the Department follows a two-step process as required by IC 6-3.6-9-15. The two-step process is:

1. The Department allocates the total supplemental distribution amount based on the local income tax rates imposed within the qualifying county as of December 31 of the trust account balance year. For the 2018 supplemental distributions, this date would be December 31, 2016.
2. The Department allocates these amounts to the taxing units within the qualifying county using the allocation formulas that were in place as of December 31 of the trust account balance year, or December 31, 2016 for the 2018 supplemental distributions.

These amounts are then summed together to arrive at the total amount of the supplemental distribution that is to go to each taxing unit in the qualifying county.

Before June 1, the county auditor in a qualifying county shall distribute the unit-level distributions as calculated by the Department to each taxing unit that is to receive a distribution.

Questions on the unit-level distributions may be directed to Budget Director Fred Van Dorp at fvandorp@dlgf.in.gov or (317) 234-3937.