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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO:** All Political Subdivisions  
**FROM:** Fred Van Dorp, Budget Division Director  
**RE:** 2018 Supplemental Local Income Tax Distribution  
**DATE:** May 18, 2018

The guidance below is to assist with the unit level calculations, distributions, and deposit of the 2018 Supplement Local Income Tax Distribution as certified by the State Budget Agency on May 1, 2018. The accompanying report further separates the CAGIT, COIT, and CEDIT summary total into their individual LOIT types. As per IC 6-3.6-9-15(d)(3), the county auditor will distribute the amounts in the "Unit Total" column to each eligible taxing unit recipient before June 1.

**Unlike previous supplemental distributions, the supplemental distribution does not have to be deposited into the taxing unit's rainy day fund.** Each taxing unit will deposit their supplemental distribution into the local fund in accordance how the funds were originally generated. For example, CAGIT certified shares, CEDIT certified shares, and COIT certified shares will be deposited into the same fund(s) where the unit is currently depositing their certified shares. The same is true for supplements associated with public safety, economic development, and special purpose.

For any part of a supplemental distribution attributable to property tax 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 Budget Director Fred Van Dorp at [fvandorp@dlgf.in.gov](mailto:fvandorp@dlgf.in.gov) or (317) 234-3937. Questions regarding the local funds used for depositing these monies may also be directed to State Board of Accounts.