

Settlement and Updates

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2017 Fall County Auditor's Conference – October 18, 2017

1

10/18/2017

INTRODUCTION

2

10/18/2017

Local Government Division

Current Contacts:

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10/18/2017

Fines & Forfeitures

- Per IC 20-49-3-16, Fines & Forfeitures are to be remitted semiannually on May 1 and November 1 of each year.
- Memo and Submission Forms distributed to county auditors October 13, 2017.

4

10/18/2017

Fines & Forfeitures

- Submission Form
 - Section 1 (fines & forfeitures section) :
 - Record fines and forfeitures received from the clerk of courts, receipted to fund 7107 (State Fines & Forfeitures).
 - Forfeiture amount should include bond forfeitures and forfeitures from racketeering cases. In some cases, the courts will label forfeitures from these cases as “amounts due to the common school fund”.
 - Section 2 (payments on Common School Fund Loans):
 - Complete if your county has an outstanding Common School Fund loan.
 - Enter the balance as of May 1, 2017 principal and interest that you are paying with your fines and forfeitures & then your balance as of November 1, 2017.

5

10/18/2017

Property Tax Relief Reconciliation

- Reconciliation effort resulting from LOIT to LIT transition
 - All prior balances in former LOIT accounts must be moved to the new LIT Property Tax Relief Fund
- Notification will be sent out to those counties that have not acknowledged a reconciliation of PTR balances.

6

10/18/2017

Reconciliation Process

- **Step 1:** Determine if there are balances in any of the following funds.

Fund Number	Fund Description
6101	CEDIT Homestead Credit
6102	COIT Homestead
6103	HEA 1001 State Homestead Credit
6105	LOIT Homestead Credit
6201	LOIT PTRC
6202	LOIT Residential PTRC

7

10/18/2017

Reconciliation Process

- **Step 2:**
 - If balances do exist in any of former LOIT funds, ensure that the balances are correct and only contain income tax allocated for property tax relief or with regards to fund 6103 from the special HEA 1001 State Homestead Credit.
 - Make corrections as necessary.

8

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Reconciliation Process

- **Step 3:**
 - Once balances have been determined and reviewed under Step 1 and Step 2, they should be transferred into the new LIT Property Tax Relief Fund 6203.
 - Going forward County Fund 6203 (Local Income Tax – Property Tax Relief) is to be used for all monthly activity with the exception of transferring to and from Fund 6000 (Settlement) as needed at Spring/Fall Settlement.

9

10/18/2017

Reconciliation Process

- **Step 4:** Once your county has reconciled all former LOIT funds to Fund 6203, and there are no remaining balances, notify the Local Government Division team at the Auditor of State's Office at settlements@auditor.in.gov.
- Deadline was October 1. If you have not completed, do so as quickly as possible.

10

10/18/2017

RECAP JUNE SETTLEMENT

11

10/18/2017

December Settlement

- Documents and Instructions will be sent out the week of October 23rd (next week).
- Continue to utilize the FTP site <https://aosftp.auditor.in.gov/>
- You will receive an email notification when those files have been uploaded
- **Make sure that you are utilizing the new forms!**

12

10/18/2017

December Settlement

Form Changes:

- All forms have been updated to reflect the new Local Government Division name.
- A Document will be distributed outlying all changes.

13

10/18/2017

December Settlement

Form Changes:

- 49TC
 - Language updates in the Instructions section:
 - Removed a reference to add collections from taxpayers of BPPE Local Service Fee to column 1 – Guidance is that these local service fees be listed as other collections on the 49TC, unless your county is able to identify them belonging to a particular taxing district.
 - Moved the reference for instructions around column 13 from the Treasurer’s Section to the Auditor’s Section.
 - Additional rows added under the Other Collections section to accommodate county needs

14

10/18/2017

December Settlement

Form Changes:

- 17TC
 - Additional rows added to the individual taxing district tabs to accommodate county needs

15

10/18/2017

December Settlement

Form Changes:

- Fines and Fees Report
 - Additional rows added to the itemization section to accommodate county needs

16

10/18/2017

December Settlement

Form Changes:

- Quietus Worksheet
 - Added an additional built in row to allow for the recording of refunds for Property Tax Relief to both the Additional Property Tax Quietus and the Treasurer's Cash tabs.
 - Additional rows added to the Additional Property Tax Quietus Worksheet & Treasurer's Cash (Prop Tax) tabs to accommodate county needs

17

10/18/2017

December Settlement

Submission:

- Utilize the Settlement Checklist
- All forms will be available for download and must be submitted through the FTP Site
- Submit your Form 102s, preferably in excel with your Settlement submission. (This was not clearly lined up in the June instructions, therefore, I have updated the December instructions to reflect this requirement)

18

10/18/2017

December Settlement

Submission:

- Important notes to speed up your approval process:
 - Use the correct December Forms (use of prior versions will delay review – which in turn delays approval)
 - Report abnormal changes ahead of time (if you have large discrepancies in reporting from your 2016 Pay 2017 Abstract or June Settlement, provide a response ahead of time)
 - If you have other before apportionment adjustments – please provide an explanation with your submission
 - You will receive contact within 24hrs that we have received your submission. If you do not receive a confirmation within this timeframe, please email settlements@auditor.in.gov

19

10/18/2017

December Settlement

Review Process:

- Crowe will once again be working with our office to assist in the review process.
- The final review and approval is maintained at Auditor of State.

20

10/18/2017

December Settlement

Review Items:

- Apportionment Testing
 - Property Tax Apportionment
 - Sample Taxing District
 - $$\frac{\text{CB Rate of Fund X}}{\text{Total CB Rate of Taxing District}} \times \text{Amount to be Distributed to Taxing District (per 49TC)}$$
 - Remember: any taxes collected for Post 09 Funds and Special Fire Funds on incremental Assessed Value captured in a TIF District must be remitted to the applicable fund, not the TIF.

21

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December Settlement

Review Items:

- Apportionment Testing
 - Excise Tax Apportionment
 - Sample Taxing District
 - $$\frac{\text{DLGF Certified Rate of Fund X}}{\text{Total DLGF Certified Rate of Taxing District}} \times \text{Amount to be Distributed to Taxing District (per 49TC)}$$
 - For Counties with Levy Freeze, include rates from LIT Equivalency worksheet as provided by DLGF.

22

10/18/2017

December Settlement

Review Items:

- Skeleton Key Validations
 - 49TC & 17 TC aligns with 105
 - Property Tax Relief Reported on 105 aligns with the reported values on the Spring Abstract
 - Excise Collections reported on 49TC align with the Excise Tax Reconciliation Worksheet
 - Excise Tax Reconciliation Worksheet aligns with the Excise Tax Allocation Worksheet

23

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December Settlement

Review Items:

- Skeleton Key Validations
 - Section A-1 of the 105 aligns with Section B of the 105.
 - Section C is reviewed against figures reported from the December 2016 Settlement
 - Information reported on the Quietus worksheet aligns with the 105, Excise Tax Reconciliation Worksheet, and the 49TC

24

10/18/2017

December Settlement

Approval Process:

- Pre-Approval
 - All forms and data contained have been reviewed and validated by Auditor of State
 - Notice will be sent for pre-approval via email
 - Proceed with distributions

25

10/18/2017

December Settlement

Approval Process:

- Final Approval
 - Full submission of funds have been received by the Auditor of State
 - SWETA, welfare and school excise tax allocation
 - Fines & Fees (Section C of the 105)
 - E-signature Verification Sheet is signed
 - Notice will be sent for final approval via email

26

10/18/2017

2017 Pay 2018 Abstract

- Gateway Initiative
 - Partnership between DLGF and AOS
- 2017 Pay 2018 Abstract will be submitted through Gateway
- Auditor of State will continue to review and approve Abstracts for the 2018 calendar year.

27

10/18/2017

2017 Pay 2018 Abstract

- Property Tax Relief Workbook
 - The PTR Workbook will still be a separate book outside of Gateway
 - Prior year balances of PTR will be incorporated into the calculation
- Additional information to come after December Settlement

28

10/18/2017

Population Factors – Auditor of State Distributions

- IC 1-1-3.5-3(d) requires that the Federal Decennial Census population count is the default population factor unless otherwise determined by statute

29

10/18/2017

Population Factors – Auditor of State Distributions

- Exceptions:
 - 1-1-3.5-5 outlines specific distributions where the most updated census information should be used as opposed to the federal decennial census
 - Motor Vehicle Highway Distributions
 - Local Road and Street Distributions
 - Cigarette Tax Distribution
 - Alcoholic Beverage Gallonage (ABC) Tax Distributions

30

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Population Factors – Auditor of State Distributions

- County Wheel Tax & County Surtax
 - IC 6-3.5-5-1 (County Wheel Tax) IC 6-3.5-4-1 (County Surtax) provides that monies are allocated in the same manner as Local Road and Street;
 - Therefore, County Wheel Tax and County Surtax are based on population updates.

31

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Population Factors - Auditor of State Distributions

- Riverboat Revenue Sharing
 - Not included under IC 1-1-3.5-5 nor specified otherwise under IC 4-33-13-5, Disposition of Tax Revenue (Riverboat Revenue Sharing);
 - Therefore, Riverboat Revenue Sharing is based on the Federal Decennial Census.

32

10/18/2017

Land Banks

Application of Ordinances:

- Deductions will be recorded on your 2017 Pay 2018 Abstract
- The Property Tax Revenue will be allocated to the transferring entity at the same time other property taxes are apportioned and distributed, recorded as before apportionment adjustments.

33

10/18/2017

Questions?

34

10/18/2017