



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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MEMORANDUM

To: County Auditors

From: Paul Joyce, State Examiner of the State Board of Accounts
Courtney Schaafsma, Commissioner of the Department of Local Government Finance

Date: June 23, 2016

Re: Income Tax Distributions for Certified Shares

On July 24, 2012 a memorandum was issued by State Board of Accounts and Department of Local Government Finance, directing counties to use separate funds for CAGIT County Certified Shares and COIT County Distributive Shares and to no longer receipt these funds into the general fund beginning January 2013.

This allowed accountability for each separate revenue stream but created difficulties for budgeting and expenditure. It was determined that allowing for these funds to be receipted, budgeted and expended through the general fund would not be contrary to statutory duty or compromise fund accounting principles.

HEA 1081 repealed CAGIT county certified shares and COIT county distributive shares while creating local income tax certified shares. We are rescinding the 2012 Memorandum for calendar year 2017. If you have a balance in the 1110 (CAGIT county certified shares) or 1121 (COIT county distributive shares) funds as of December 31, 2016, you may budget the remaining balance in the fund for 2017 or transfer the balance in the fund to the general fund. The new local income tax certified shares will not be accounted for in a separate fund, but will be receipted into the general fund. These revenues will be included in the 2017 budget for the general fund.

No changes are required for local income tax for property tax relief, economic development, public safety, and special legislation as these revenues will continue to be accounted for in separate funds.

Questions regarding the fund changes should be directed to Lori Rogers or Shannon Lopez of the State Board of Accounts at lrogers@sboa.in.gov or slopez@sboa.in.gov and questions regarding how to budget the local income tax distributions for certified shares to your Department of Local Government Finance budget field representative (http://www.in.gov/dlqf/files/Field_Rep_Map_-_Budget.pdf) or Courtney Schaafsma at cschaafsma@dlqf.in.gov.

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