

2018 Pay 2019 Abstract

Auditors Fall Conference
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Auditor of State
Bob Reynolds, CPA
Local Government Director

Summary

- Abstract Process
- Property Tax Relief Workbook
- Abstract Manual
- Abstract Review

Abstract Process

Party	Task to be Completed	Timing
Auditor	Complete Pre-Abstract Survey	Early January
AOS	Release Property Tax Relief Workbook via AOS FTP Site	Late January
Auditor	If county has property tax relief, county completes PTRW, submits to AOS FTP Site for review	Late January/Early February
AOS	Reviews PTRW. Goes over changes/questions with county (if any)	24-48 hours of submission
County	Uploads seven text files to Gateway Abstract	February/Early March
County	County Auditor verifies text files uploaded to Gateway Abstract were accepted and passed all diagnostics.	February/Early March
County	Verifies all information reported in all abstract sections on Gateway Abstract agrees with their tax and billing system.	February/Early March
County	County Auditor completes review section of Gateway Abstract.	February/Early March
County	Submits Abstract using the Form Signature Box	February/Early March
AOS	Reviews Abstract submissions, submits questions/follow ups to County	24-48 hours of submission
AOS	Sends pre-approval to county, once all questions have been resolved	Immediately

PROPERTY TAX RELIEF WORKBOOK (PTRW)

- Why do I have to complete a property tax relief workbook (PTRW)?
 - Calculates the property tax relief rate
 - Used for the allocation of the property tax relief among property type groups.
 - Calculates the property tax relief rate
- What happens if my PTRW is incorrect?
 - Property tax relief will be allocated to the incorrect categories
 - Does not impact overall property tax relief, impacts allocation of property tax relief to specific tax districts
 - Impacts individual tax bills
 - Could have circuit breaker impacts

PROPERTY TAX RELIEF WORKBOOK (PTRW)

- What are the Property Tax Relief Categories?
 - Total AV
 - Credit is applied uniformly to all taxpayers in a county
 - 1% AV
 - Homesteads eligible for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax liability for the property to one percent (1%)
 - 2% AV
 - Residential property, long term care property, agricultural land, and other tangible property (if any) eligible for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax liability for the property to two percent (2%).

PROPERTY TAX RELIEF WORKBOOK (PTRW)

- What are the Property Tax Relief Categories? (Continued)
 - 3% AV
 - Residential property, as defined in 6-1.1-20.6-4. (i) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, (ii) real property that consists of (a) a building including two (2) or more dwelling units, (b) any common areas shared by the dwelling unit, and (c) the land on which the building is located, and (iii) land rented or leased for the placement of a manufactured home or mobile home.
 - Residential Property
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PROPERTY TAX RELIEF WORKBOOK (PTRW)

- What are the Property Tax Relief Categories? (Continued)
 - Former Qualified Residential
 - The former Qualified Residential AV type was eliminated with the adoption of IC 6-3.6. and transition to the current LIT structure. However, if a county had previously adopted a LOIT Residential Property Tax Replacement Credit, such credit included properties of the LIT 1% AV type and Residential AV type. Therefore the credit that was historically allocated to the Qualified Residential Property will be allocated to the 1% AV and Residential Property based on their percentage of calculated taxes.
- Calculation of Split for Former Qualified Residential
 - Allocation to 1% AV
 - Total Calculated Taxes for 1% AV
 - Divided by: Sum of Total Calculated Taxes for 1% AV and Residential Property
 - Equals: 1% Property AV Share of Former Qualified Residential Property
 - Allocation to Residential Property
 - One less the 1% Property AV Share of Former Qualified Residential Property

PROPERTY TAX RELIEF WORKBOOK (PTRW)

- AOS Review of Allocation of Property Tax Relief
 - AOS maintains a database of property tax relief allocations
 - Database is based on:
 1. Allocation assigned by AOS for pay 2017 based upon the prior year Income Tax types. (See Slide 10)
 2. Updated resolutions received by AOS
 - When a resolution is uploaded to Gateway for a change in LIT, AOS receives an automated email containing the resolution.
 - AOS updates database accordingly
 - Pre-Abstract Survey
 - The pre-abstract survey will ask county auditors to enter their allocation of property tax relief
 - If the answer entered does not agree to the AOS database, a member of the AOS staff will follow up to verify the correct allocation

PROPERTY TAX RELIEF WORKBOOK (PTRW)

What is my Allocation?

- Allocations prior to the 2017 LIT structure were grandfathered in based on proportional percentage of various taxes
- If your county income tax council has adopted a new PTR resolution since 2017, allocation should be stated in the resolution
- Reviewing the prior year property tax relief workbook is a good baseline for determining your allocation, however it does not guarantee the allocation is correct!

PROPERTY TAX RELIEF WORKBOOK (PTRW)

What is my Allocation?
(County has not adopted a Resolution)

- Allocation assigned by AOS for pay 2017 based upon the prior year Income Tax types.

Income Tax Type	Assigned to
LOIT PTRC	Total AV
LOIT HSC	1% AV
CEDIT HSC	1% AV
COIT HSC	1% AV
LOIT RES PTRC	1% & Residential (Form Qualified Residential)

Updated Abstract Manual

- Currently a work in progress, but will include:
 - Overview of Gateway Abstract Process
 - Step by step instructions for:
 - Uploading text files
 - Completing the County Review section
 - Submitting the Abstract
 - Creating reports within Gateway Abstract
 - Detailed screen shots and explanations of the different sections

JOKES!

- Can a kangaroo jump higher than a house?
 - Of course! A house doesn't jump!
- Why did the football stadium get hot after the game?
 - All of the fans left!
- What did the toilet say to the other toilet?
 - You look flushed!
- What is the difference between a snowman and snowwoman?
 - Snowballs!

Gateway Abstract Review Process

- The questions received in the County Review section are very similar to the questions that AOS would have asked in previous years.
- The County Review section is:
 - Automated review based on ratios of current year to prior year data
 - Assessed values will be compared to CNAVs
- The ratios used in the review section are as follows:
 - Increase or decrease in taxing district all property NAV by 10%
 - Increase or decrease in taxing district real property NAV by 10%
 - Increase or decrease in taxing district NAV by 10% (by property type, 1%, 2%, 3%, and personal property)
 - Increase or Decrease in TIF district real property NAV by 10%
 - Increase or Decrease in TIF district personal property NAV by 10%

Gateway Abstract Review Process

- Example of Review Question in Gateway

Gateway Review Process

- Response to questions should be:
 - Detailed and complete, for example:
 - Assessed value increased due to largest tax payer in the district making a large investment into plant.
 - Should be similar to prior year responses
- Responses to questions should not be
 - Short one word response.
 - Saying "because it went up" or "I don't know" will not be accepted
 - If answer is incomplete AOS will follow up with county auditor
 - Abstract will not be approved if response is not acceptable.

Gateway Review Process

- AOS review begins once county submits abstract via Gateway Signature box
- Once you submit the abstract, you will no longer be able to make changes to the review section or upload new files.

Gateway Abstract Review Process

- AOS will receive an automated email from Gateway that you submitted your abstract
- AOS will be in contact with you within 24 hours of submission, verifying that we received the submission.
 - If you do not hear from an AOS staff member, please email localgovernment@auditor.in.gov to verify that your submission was received.
- If we have any follow up questions, you will receive our questions via email.

Gateway Abstract Review Process

- If changes are needed to your submission:
 - AOS will have your abstract submission unlocked, and notify you that is available for changes
 - The county will need to make the required changes and then resubmit abstract
 - AOS will review required changes and will notify the county if the changes are accepted and grant pre-approval

Thank You!

Additional questions? Contact us!

- **Bob Reynolds**
 - Director
 - (317) 232-3309
- **Jane Cope**
 - Settlement Specialist
 - (317) 232-1712

Email: LocalGovernment@auditor.in.gov