

**COUNTY AUDITORS' SPRING
2011
CONFERENCE**

**June 2011 Settlement and Other
Interesting Items**

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June 2011 Settlement

- **Instructions are on the Auditor of State's website www.in.gov/auditor/**
 - The instructions can be found on the website by first selecting Departments
 - Then select Settlements
- **PLEASE READ INSTRUCTIONS**

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June 2011 Settlement

- **The electronic documents that have been placed on the county's FTP site are:**
 - Settlement Sheet, Form 105
 - 49TC Treasurer's Certificate of Tax Collections
 - 17TC Certificate of Tax Refunds
 - Treasurer/Auditor Excise Tax Reconciliation Form
 - Excise Tax Allocation Worksheet
 - 2008 & Prior Del Tax Worksheet
 - Quietus Worksheet
 - Fines & Fees Report Form
 - County Checklist
- **To the applicable counties we have emailed the 2010 Pay 2011 Property Tax Rates Adjusted for Circuit Breaker Credit Exempt Funds**

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**June 2011 Settlement
Highlights**

- When Settlement is filed must use worksheets we placed on the FTP site
- Counties with circuit breaker credit exempt funds must use, where applicable, Property Tax Rates Adjusted for Circuit Breaker Credit Exempt Funds to distribute property tax
- LOIT Operating Levy Freeze counties must use DLGF equivalency rates plus DLGF certified property tax rates to distribute excise tax

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**June 2011 Settlement
Highlights**

- Counties with CEDIT HSC must include 100% of the abstract amount in the June Settlement
- Counties with local property tax credits must include at least 5/12 (can be $\frac{1}{2}$) of the abstract amount in the June Settlement
 - COIT HSC
 - LOIT (CAGIT or COIT) PTRC
 - LOIT (CAGIT or COIT) HSC
 - And/or LOIT (CAGIT or COIT) Qualified Residential PTRC

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**June 2011 Settlement
Highlights**

- The 2008 & Prior Del Tax Deduction continues with this settlement and will continue as long as there are 2008 & prior delinquent tax collections
 - Must use the worksheet for your county placed on the FTP site
- The Excise Tax Allocation Deductions continue and will continue at each settlement
 - Must use the current worksheet for your county placed on the FTP site

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June 2011 Settlement Highlights

- **Treasurer/Auditor Excise Tax Reconciliation Worksheet is required and will continue to be required with each settlement.**
 - Must use the worksheet placed on the FTP site

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June 2011 Settlement Highlights

- **Tax Refunds**
 - Can be deducted in the June Settlement, but not required
 - Are required to be deducted in the December Settlement
 - But only the refunds that were not deducted in the June Settlement
 - If refunds are deducted in the June Settlement, then the State PTRC & State HSC, if any, portion of refunds must be remitted to the state before you will receive final approval of the June Settlement

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June 2011 Settlement

- **Deadline to settle with taxing units**
 - 51 days after tax due date to settle without payment of interest to taxing units
 - If interest is due, the interest amount is calculated on undistributed property and excise tax
 - If interest is due, the interest rate used to calculate the interest amount equals the average rate the county is earning on investments
 - The interest amount equals the undistributed tax amount times the average interest rate divided by 365 times the number of days after 51 days

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June 2011 Settlement

- If remitting interest to the state, you will need to provide the breakdown of the total interest by fund.
- Settlement Fines and Fees due by
 - June 30th whether a June Settlement is filed or not

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June 2011 Settlement

- Remittances Due State before final approval of June Settlement will be given
 - SWETA, 2009 Welfare Excise Tax Allocation and 2009 School Excise Tax Allocation
 - 2008 & Prior Delinquent Tax Deduction
 - State Fair, Forestry, HCI, MAW & CWSHCN
 - State PTRC & State HSC portion of tax refunds, if applicable

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June 2011 Settlement

- Settlement Fines and Fees Remittances
 - Infraction Judgment Fines
 - Overweight Vehicle Fines
 - Special Death Benefit
 - Sales Disclosure Fees
 - Coroner's Continuing Education Fees
 - Adult Offender Interstate Compact Fees
 - Mortgage Recording Fees
 - Child Restraint Fine
 - Forest Restoration Fund
 - Canine Research and Education Fund
 - Sex/Violent Offender Registration Fees
 - DLGF Homestead Property Data Base Fund

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Settlement Fines and Fees

- The following settlement fines and fees require two funds for proper accounting and segregation of state and local funds
 - Sales Disclosure Fees
 - County Sales Disclosure Fund $\frac{1}{2}$ of the fees
 - State Sales Disclosure Fund $\frac{1}{2}$ of the fees - then remitted to state at settlement
 - Adult Offender Interstate Compact Fees
 - County Supplemental Adult Probation Services Fund $\frac{1}{2}$ of the fees
 - Adult Offender Interstate Compact Fee Fund $\frac{1}{2}$ of the fees - then remitted to state at settlement
 - Mortgage Recording Fees
 - \$0.50 of the \$3 fee to County Recorder's Records Perpetuation Fund
 - \$2.50 of the \$3 fee to Mortgage Fee Fund - then remitted to state at settlement

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Settlement Fines and Fees

- Settlement fines and fees that require two funds for proper accounting and segregation of state and local funds - continued
 - Forest Restoration Fund
 - Back taxes and penalties collected on withdrawal of applicable classified forest or wild lands;
 - Back taxes and 25% of withdrawal penalty to county general fund
 - 75% of withdrawal penalty to Forest Restoration Fund - then remitted to state at settlement
 - Canine Research and Education Fund
 - County Option Dog Tax
 - 80% of collections retained by county
 - 20% of collections to Canine Research and Education Fund - then remitted to state at settlement

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Settlement Fines and Fees

- Settlement fines and fees that require two funds for proper accounting and segregation of state and local funds - continued
 - Sex/Violent Offender Registration Fees
 - County adopts an annual Sex or Violent Offender Registration Fee and Address Change Fee
 - 90% to County Sex or Violent Offender Administration Fund
 - 10% to State Sex or Violent Offender Fund - then remitted to state at settlement
 - Ineligible Homestead Credit Civil Penalty
 - 99% to County Auditor's Ineligible Deduction Fund
 - 1% remitted to state for DLGF Homestead Property Data Base Fund

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June 2011 Settlement

- When the Settlement is ready for review email to all members of the Settlement Department the following Settlement documents
 - Settlement Sheet, Form 105
 - Must use Form 105 we placed in the county's folder on the FTP site. We use the electronic Form 105 to print the Settlement Sheet once the Settlement has been approved. The printed Settlement Sheet is mailed to County Auditor to sign. The signed Settlement Sheet must be returned to Settlement Department in order for County Auditor to receive final approval of the Settlement.
 - Treasurer's Certificate of Tax Collections, Form 49TC
 - Must use 49TC we placed in the county's folder on the FTP site. If system generated 49TC is emailed to the Settlement Department, then the 49TC must be identical to Settlement Department provided 49TC

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June 2011 Settlement

- Certificate of Tax Refunds, Form 17TC
 - Must use Form 17TC we placed in the county's folder on the FTP site.
- Excise Tax Allocation Deduction Calculation Worksheet
 - Must use worksheet we placed in the county's folder on the FTP site
- 2008 & Prior Del Tax Fund Deduction Calculation Worksheet
 - Must use worksheet we placed in the county's folder on the FTP site.
- Treasurer/Auditor Excise Tax Reconciliation Worksheet
 - Must use worksheet we placed in the county's folder on the FTP site.

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June 2011 Settlement

Reminders

- Please use the county checklist to verify data prior to sending in settlement forms.
- We review Settlements in the order received. This procedure holds true for re-submitted settlements.
- Complete Section C on the Form 105 prior to submission of settlement.

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Commercial Vehicle Excise Tax (CVET)

- Commercial Vehicle Excise Tax distribution was processed early in May.
- Distributions to units should have occurred by this time for all but one county.
- Rounding problem that existed on county report for 2010 has been corrected.
- Reminder, LOIT Levy Freeze counties were to include the equivalency rates when apportioning the CVET to the units.

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FIRE TERRITORIES & CVET DISTRIBUTIONS

- The fire territory rate or rates are included in the allocation of CVET for the providing taxing unit and each participating taxing unit
- If a fire territory rate or rates exist as a part of the taxing district rates, then a fire territory exists
- If the providing taxing unit or one of the participating taxing units is a township, then the township CVET fire amount is allocated using the fire territory rate or rates

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FIRE TERRITORIES & CVET DISTRIBUTIONS

- If no township CVET fire amount is listed there is no CVET distribution to the fire territory
- If the providing taxing unit or one of the participating taxing units is a city or a town, then the fire territory rate or rates are included with the city or town rates to allocate the city or town CVET amount
- The total of the fire territory CVET allocations is distributed to the providing taxing unit of the fire territory for the fire territory

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CVET DISTRIBUTION

- Section 241 of House Enrolled Act (HEA) 1001(ss)-2009 amended IC6-6-5.5-20 and changed the distribution amount of CVET
- Beginning with the calendar year 2009 CVET distribution the amount distributed was no longer a guaranteed increase of at least 5% over the previous year distribution

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CVET DISTRIBUTION

- Beginning with calendar year 2009 each county's total CVET distribution amount is determined by the following calculation;
 - The county's distribution percentage determined by DLGF in 2000 and certified to the auditor of state in 2000
 - Times the total CVET revenue deposited in the state CVET Fund in the previous calendar year
 - 2011 distribution is based on calendar year 2010 CVET revenue
- One-half of the CVET amount is distributed in May and one-half in December

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TAXING UNIT CVET DISTRIBUTION AMOUNT

- Each taxing unit's CVET amount equals;
 - The taxing unit's distribution percentage determined by DLGF in 2000 and certified to the auditor of state in 2000
 - Times the county's total CVET distribution amount
- Auditor of state's office determines each taxing unit's amount and provides the taxing unit breakdown to the county auditor at each CVET distribution

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**TAXING UNIT CVET
DISTRIBUTION AMOUNT**

- The county taxing unit CVET distribution is reduced by the Welfare CVET Allocation
- The school taxing unit CVET distribution is reduced by the School CVET Allocation
- The Welfare and School allocations were deducted prior to distributing CVET to counties
- Therefore there are no CVET distributions to the state

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**TAXING UNIT CVET
DISTRIBUTION AMOUNT**

- Each taxing unit's CVET distribution is allocated to the funds of the taxing unit with the property tax rates applicable to the calendar year of the CVET distribution
- For example the 2010 pay 2011 property tax rates are used to allocate 2011 CVET
- CVET can only be distributed to taxing units after DLGF has certified 2011 property tax rates

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CVET

- Do not distribute 2011 CVET with 2010 property tax rates
- Counties who have adopted Operating Levy Freeze LOIT must add the "LOIT Equivalency Rate" provided by DLGF to the certified property tax rate to get the rates to use to calculate CVET distributions
- Note: If a township has no Civil fund rates but CVET is distributed for township civil funds, the CVET Township Civil amount is distributed to the Township General Fund
- Also, if a township has no CVET fire amount, there is no township CVET fire distribution to the fire territory

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FINANCIAL INSTITUTIONS TAX (FIT)

- DLGF has created 2011 FIT Worksheets for all of the counties who have 2010 pay 2011 property tax rates
- We have sent the February and May 2011 FIT distributions to those counties
- Counties who receive tax rates later in the year will receive catch up distributions at that time (one county)

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FIT

- Use DLGF's FIT Worksheets and our instructions to calculate distributions to taxing units
- FIT must be distributed to taxing units by the time of the June & December Settlement
- Remaining distribution dates
 - First week of August 2011
 - $\frac{1}{4}$ of the total amount due the county
 - First week of December 2011
 - $\frac{1}{4}$ of the total amount due the county

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FIRE TERRITORIES & FIT DISTRIBUTIONS

- The fire territory rate or rates are included in the allocation of FIT for the providing taxing unit and each participating taxing unit
- If a fire territory rate or rates exist as a part of the taxing district rates, then a fire territory exist
- If the providing taxing unit or one of the participating taxing units is a township, then the township FIT fire amount is allocated using the fire territory rate or rates
- If there is no Township FIT fire amount, then there is no FIT distribution to the fire territory

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FIRE TERRITORIES & FIT DISTRIBUTIONS

- If the providing taxing unit or one of the participating taxing units is a city or a town, then the fire territory rate or rates are included with the city or town rates to allocate the city or town FIT amount
- The total of the fire territory FIT allocations is distributed to the providing taxing unit of the fire territory for the fire territory

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2011 Riverboat Wagering Tax Revenue Sharing

- \$33 million to be distributed by August 15, 2011 to counties who do not have a riverboat
- Each county's total amount is determined by population ratio of counties who do not have a riverboat
- Each county's total amount is allocated on a population basis between the county and the cities & towns within the county
 - The allocation within Marion County is on a different basis

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2011 Riverboat Wagering Tax Revenue Sharing

- Permissible use of 2011 Riverboat Wagering Tax Revenue Sharing
 - Any governmental purpose appropriated by the Fiscal Body (County Council)
 - Does not reduce property tax levy or maximum levy

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2012 Revenue Estimates

- We will be emailing by mid-June 2011, the 2012 Budget Revenue estimate formulas for:
 - Cigarette Tax distributions
 - ABC Gallonage tax distributions
 - MVH, LRS, MVH #1 and MVH #2
- And the calculation of the estimates for:
 - August 2011 & 2012 Riverboat Wagering Tax Revenue Sharing distribution

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2012 Revenue Estimates

- Please provide these estimates to the proper local officials
 - County Highway Department
 - To Cities and Towns

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2010 Census

- 2010 Census population counts will be used for state distributions beginning
 - May 1, 2012

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EFT Deposits

- State distributions and other payments processed through the Auditor of State's Office appear on bank statements as "Auditor of State Payables"
- Payments process through other state agencies i.e. BMV, Workforce Development etc. will not appear as "Auditor of State Payables"

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Federal EFT Deposit Symbols

- TREAS 220
 - Austin, TX 512-342-7300
- TREAS 310
 - Kansas City, MO 816-4142100
- TREAS 312
 - San Francisco, CA 510-594-7300
- DOJ
 - Dept of Justice 800-421-6770

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OTHER INTERESTING ITEMS

- Abstract compliant counties
- Form 22's are sent to DLGF. We only receive them when a distribution is made to the state
- Whatever Janie forgot when putting the presentation together

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