

ELISE M. NIESHALLA, STATE COMPTROLLER

Indiana Statehouse, Room 240
200 W. Washington Street
Indianapolis, IN 46204

www.in.gov/comptroller
(317) 232-3300



MEMORANDUM

TO: County Auditors and County Treasurers

FROM: Local Government Division

DATE: January 2, 2025

SUBJECT: CY 2025 Local Income Tax (LIT) Distribution

The Indiana State Comptroller's Office (COMP) is coordinating efforts with the Department of Revenue (DOR), State Budget Agency (SBA), Department of Local Government Finance (DLGF) and the State Board of Accounts (SBOA) to provide the following resources and guidance to assist in the calendar year (CY) 2025 Local Income Tax Distributions.

Department of Revenue

- Departmental Notice #01 contains information to assist withholding agents in determining the correct amount of Indiana county income tax to withhold from an employee's wages by providing the total LIT rate for each county.
- Source: <https://www.in.gov/dor/files/dn01.pdf>

State Budget Agency

- Reports the certified LIT rates and amounts separated by county and LIT type. These totals serve as the source material for the DLGF LIT calculation and the Comptroller's Office distribution amount.
- Source: <https://www.in.gov/sba/budget-information/local-income-tax-data/>

Department of Local Government Finance

- Reports the data from SBA to calculate each unit's portion of each of the county's LIT types.
- Source: <https://www.in.gov/dlgf/county-specific-information/>

The Comptroller's Office will begin the CY 2025 LIT distributions in January. Each month, the county will receive 1/12 of their annual amount. Below are instructions detailing how the county will receive, distribute and quietus each type of LIT each month.

1. Certified Shares ([IC 6-3.6-6-11](#))

Monthly activity will be deposited into Fund 7330 (LIT CERTIFIED SHARES). Based on a report from the DLGF, the county will distribute these funds to all applicable taxing units and will quietus the county portion to Fund 1000 (General).

Fund 7330 is a clearing fund. The balance should increase following the deposit but should return to zero each month following the county's monthly distribution and quietus.

2. Public Safety ([IC 6-3.6-6-8](#))

Monthly activity will be deposited into Fund 7331 (LIT PUBLIC SAFETY). Based on a report from the DLGF, the county will distribute these funds to all applicable taxing units and will quietus the county portion Fund 1170 (LIT PUBLIC SAFETY COUNTY SHARE).

Fund 7331 should serve as a clearing fund. The balance should increase following the deposit but should return to zero each month following the county's monthly quietus and distribution.

3. Economic Development ([IC 6-3.6-6-9](#))

Monthly activity will be deposited into Fund 7332 (LIT ECONOMIC DEVELOPMENT). Based on a report from the DLGF, the county will distribute these funds to all applicable taxing units and will quietus the county portion to Fund 1112 (LIT - ECONOMIC DEVELOPMENT).

Fund 7332 should serve as a clearing fund. The balance should increase following the deposit but should return to zero each month following the county's monthly quietus and distribution.

4. Property Tax Relief ([IC 6-3.6-5](#))

Monthly activity will be deposited into Fund 6203 (LOCAL INCOME TAX - PROPERTY TAX RELIEF). During the semiannual settlement process in June and December, the funds are disbursed from Fund 6203 to the county treasurer to be included as part of the county treasurer's certified collections reported at settlement.

5. LIT Correctional Facility ([IC 6-3.6-6-2.7](#))

Monthly activity will be deposited into Fund 1233 (LIT CORRECTIONAL/REHABILITATION FACILITIES).

6. Emergency Medical Services ([IC 6-3.6-6-2.8](#))

Monthly activity will be deposited into Fund 1236 (EMS LIT).

7. Judicial System ([IC 6-3.6-6-2.9](#))

Monthly activity will be deposited into Fund 1139 LIT – DEDICATED TO COURT STAFF FUND).

8. Special Purpose ([IC 6-3.6-7](#))

Monthly activity will be deposited into Fund 1114 (LIT - SPECIAL PURPOSE).

9. Team Member and Race Team Member ([IC 6-3.6-9-10\(4\)](#))

This applies to Marion County only and is allocated per [IC 6-3-2-2.7](#) and [IC 6-3-2-3.2](#).

We are at your service to answer questions or concerns. Please contact the Local Government Division at 317-233-1712.