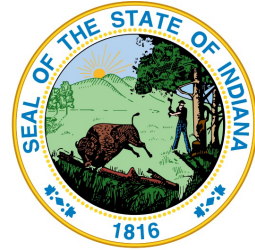


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MEMORANDUM

To: County Auditors

From: Janie Cope, Local Government Specialist

Date: May 1, 2025

Subject: Commercial Vehicle Excise Tax Distribution (CVET)

The Office of Indiana State Comptroller has processed the Commercial Vehicle Excise Tax (CVET) distribution. These funds should appear in your designated bank account within the next few days.

The CVET distribution must be deposited into the CVET Fund (SBOA Fund 6023) and then redistributed to eligible taxing units within your county. Indiana Code [6-6-5.5-20\(e\)](#) states CVET shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

The CVET report provides the apportionment calculation for each county's CVET and only lists eligible taxing units to receive the distribution. **Tax units that do not qualify for a CVET distribution are not listed on the State Comptroller report.** The report also provides the apportionment calculation for each county's CVET. This report can be found on the State Comptroller's website [here](#).

The CVET Distribution Amounts report contains:

- A worksheet for the taxing unit
- The taxing unit percentage of total CVET dollars
- Total annual distribution
- May distribution
- November distribution

The calculation requires using the 2024 pay 2025 certified property tax rates for each taxing unit (by fund) and the distribution amount of the taxing unit on the State Comptroller 2025 CVET Distribution Report for Counties.

Counties that have adopted Local Income Tax (LIT) for property tax operating levy freeze are required to add the LIT property tax levy freeze equivalency rates with the certified tax rates to determine each fund's share of CVET. This is accomplished by using the 2025 LIT equivalency rates calculated by the Indiana Department of Local Government and Finance (DLGF), which can be found [here](#).

The distribution of CVET to taxing units by fund follows the steps below:

Step One – Calculate the Allocation Factor

The allocation factor for each taxing unit is calculated by dividing the distribution amount for the taxing unit (from the Comptroller's 2025 CVET Distribution Amounts report) by one of the following:

- The taxing unit's total 2024 pay 2025 certified property tax rate for all funds, or

- For levy freeze counties, the 2024 pay 2025 certified property tax rate plus the total 2024 pay 2025 LIT equivalency rates for each fund.

Township Civil & Fire Allocations

Townships receive separate CVET allocations for civil property tax funds and fire/EMS property tax funds.

- **Civil Township Fund Rates:** These rates include all township rates except fire/EMS rates.
- **Civil Allocation Factor:** Calculated by dividing the civil amount reported in the CVET report by the total township taxing unit fund rates, excluding fire/EMS fund rates.
- **Fire Allocation Factor:** Determined by dividing the fire amount reported in the CVET report by the total township fire/EMS fund rates.

Fire Territory Allocation

If a fire territory exists, its rate(s) are included in the CVET allocation for both the provider taxing unit and each participating taxing unit. Each participating taxing unit determines whether the allocated amount should be sent to the fire territory's provider unit.

Step Two – Calculate Distribution by Fund

For each taxing unit, the distribution by fund is calculated by multiplying the taxing unit's allocation factor (determined in step one) by one of the following:

- The 2024 pay 2025 certified property tax rate for each taxing unit fund, or
- For levy freeze counties, the 2024 pay 2025 certified property tax rate plus the 2024 pay 2025 LIT equivalency rates for each fund.

Step Three – Review Calculation

For each taxing unit, add the fund amounts determined in Step Two to calculate the total distribution. Compare the calculated distribution for each taxing unit to the State Comptroller's 2025 CVET Distribution Amounts report – distribution amount for each taxing unit.

The calculated amount should match the State Comptroller's 2025 CVET Distribution Amounts report. Small variances (typically less than \$1) may result from rounding. Any rounding differences must be allocated back to the taxing unit funds. The County Auditor will determine the allocation method.

Step Four – Distribute to Tax Units & Create Form 22

Each taxing unit's CVET share must be accompanied by a certificate of tax distribution (Form 22), labeled "MAY 2025 CVET Distribution." Form 22 must specify the CVET amount for each fund. Additionally, Form 22 must be uploaded to Gateway.

We are at your service to answer questions or concerns. Contact us by phone at 317-233-1712 or email at localgovernment@comptroller.in.gov.