



## MEMORANDUM

TO: County Auditors

FROM: Accounting and Reporting Department

SUBJECT: CVET 2025 Legislative Session Updates

DATE: August 22, 2025

During the 2025 legislative session, the Indiana General Assembly passed, and Governor Braun subsequently signed [House Enrolled Act \(HEA\) 1392](#), effective July 1, 2025. This new law amends the Commercial Vehicle Excise Tax (CVET) distribution provisions outlined in Indiana Code [§ 6-6-5.5-20](#). These changes simplify the distribution process and relieve County Auditors of the responsibility for calculating fund-level allocations to local recipients.

### CVET History

Prior to January 1, 2000, commercial vehicles were taxed as personal property. When the State shifted to collecting excise taxes, CVET was created to offset the loss of local property tax revenue.

To determine how CVET funds would be distributed, the State worked with local officials to calculate the total assessed value (TAV) of commercial vehicles statewide and within each taxing district. These figures were used to determine each county's share of the statewide total and each unit's share of the countywide total. These unit-level percentages became known as "base revenue."

Starting January 1, 2009, base revenue amounts for counties and units were frozen and until now have remained unchanged. The updates included in HEA 1392 simplify the process of depositing CVET funds at the county level only, and do not impact the CVET eligibility, the county allocation percentage or an eligible unit's base revenue.

### CVET Process Overview

Each March, the Comptroller's Office calculates the total amount of taxes collected by the State for CVET in the previous calendar year (State Fund 75115). From this total, the portion designated for local governments is determined and distributed in two semiannual payments: (a) before May 1 and (b) before December 1.

The Comptroller's Office calculates the amount each county and eligible school unit will receive, as outlined in Indiana Code § 6-6-5.5-20. These amounts are posted online and sent to County Auditors, who then deposit the funds into the CVET Fund (SBOA Fund 6023). County Auditors must redistribute the funds to eligible taxing units within their county, following the State

Comptroller's report. CVET distributions must occur at the same time as property tax distributions.

**Update Under HEA 1392**

Prior to July 1, 2025, County Auditors were required to perform a fund level calculation prior to distribution to other local units. HEA 1392 eliminates this requirement. Now, County Auditors will use the State Comptroller's report to distribute the lump sum to the eligible unit.

Upon receiving the funds, HEA 1392 allows taxing units to deposit CVET distributions into any fund they maintain and to use the funds for any purpose permitted by law.

**CVET Resources**

The State Comptroller will finalize the calendar year total and semiannual distribution amounts for all eligible recipients. The report will be posted on the Comptroller's website [here](#).

We are at your service to answer questions and address any concerns. Please contact our office at 317-233-1712 or [LocalGovernment@comptroller.in.gov](mailto:LocalGovernment@comptroller.in.gov).