

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: December 29, 2025

SUBJECT: CY 2026 Local Income Tax (LIT) Distribution

The Office of Indiana State Comptroller will begin the CY 2026 LIT distributions in January. Every month, each county will receive 1/12 of the annual amount calculated by the State Budget Agency for each type of Local Income Tax (LIT) adopted by the county. Below are specific instructions detailing how the county will receipt, distribute, and quietus the money received each month.

1. Certified Shares [IC 6-3.6-6-10](#)

Monthly activity will be deposited into Fund 7330 (**LIT CERTIFIED SHARES**). Based on a report from the Department of Local Government Finance (DLGF), the county will distribute these funds to all applicable taxing units and deposit the county portion to the appropriate fund.

Fund 7330 is a clearing fund. The fund balance should return to zero 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 DLGF, the county will distribute these funds to all applicable taxing units and deposit or settle the county portion to Fund 1170 (**LIT PUBLIC SAFETY COUNTY SHARE**).

Fund 7331 is a clearing fund. The fund balance should return to zero following the county's monthly distribution and quietus.

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 is a clearing fund. The fund balance should return to zero following the county's monthly distribution and quietus.

4. **Property Tax Relief ([IC 6-3.6-5](#))**
Monthly activity will be deposited into Fund 6203 (**LOCAL INCOME TAX - PROPERTY TAX RELIEF**). Each spring, as part of the Abstract submission, the county will work with DLGF to calculate a property tax relief rate to apply to qualifying tax bills. 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 their 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 only to Marion County and is allocated per IC 6-3-2-2.7 and 6-3-2-3.2.

The administration of LIT requires the coordination of multiple State agencies including the Department of Revenue (DOR), State Budget Agency (SBA), Department of Local Government Finance (DLGF) and the State Board of Accounts (SBOA). Below please find additional LIT resources and guidance from these agencies.

- A. **DOR (<https://www.in.gov/dor/files/dn01.pdf>)**
DOR posts Departmental Notice #01 that 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.
- B. **SBA (<https://www.in.gov/sba/budget-information/local-income-tax-data/>)**
SBA posts a report with the certified LIT rates and LIT amounts separated by county and LIT type. These totals serve as the source material for the DLGF LIT calculation and the Comptroller's distribution amount.
- C. **DLGF (<https://www.in.gov/dlgf/county-specific-information/>)**
DLGF posts a report that uses data from SBA to calculate each unit's portion of each county's LIT types.

If you have any questions concerning the LIT distributions, please contact the Local Government Division at LocalGovernment@comptroller.in.gov