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STATE EXAMINER DIRECTIVE 2023-1

Date: August 10, 2023
Subject: Policies and Procedures for the Addition of Property Tax Penalties
Authority: IC 5-11-1-27(e)
Application: This Directive applies to Counties
From: Paul D. Joyce, CPA, State Examiner

Indiana Code § 6-1.1-37-10 provides for the assessment of penalties when property tax payments are not completely paid on or before the due date. Specifically, a penalty is assessed if the tax payment is made within 30 days after the due date and a higher penalty is assessed when the tax payment is made more than 30 days after the due date. The statute also establishes the requirements for determining whether a tax payment is considered timely. Indiana Code § 6-1.1-37-10(f) explains that:


(f) . . . payment to the county treasurer is considered to have been paid by the due date if the payment is:

- (1) received on or before the due date by the county treasurer or a collecting agent appointed by the county treasurer;
- (2) deposited in United States first class mail:
 - (A) properly addressed to the principal office of the county treasurer;
 - (B) with sufficient postage; and
 - (C) postmarked by the United States Postal Service as mailed on or before the due date;
- (3) deposited with a nationally recognized express parcel carrier and is:
 - (A) properly addressed to the principal office of the county treasurer; and
 - (B) verified by the express parcel carrier as:
 - (i) paid in full for final delivery; and
 - (ii) received by the express parcel carrier on or before the due date:

- (4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:
 - (A) properly addressed to the principal office of the county treasurer;
 - (B) with sufficient postage; and
 - (C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date;
- (5) deposited in United States first class mail:
 - (A) properly addressed to the principal office of the county treasurer;
 - (B) with sufficient metered postage from a meter postage provider approved by the United States Postal Service; and
 - (C) with a postage meter stamp affixed to the envelope that must bear the actual date the postage meter stamp was affixed to the envelope, which must be on or before the due date; and the payment is received by the county treasurer not later than five (5) business days after the due date; or
- (6) made by an electronic funds transfer and the taxpayer's bank account is charged on or before the due date.

To effectively implement this statute, County Treasurers must adopt a policy that, at a minimum, sets forth the procedure to notate or record the date all tax payments are received, especially in cases in which no postmark date is available.

Such policy should lay out all necessary procedures, when those procedures will be performed, and to whom such procedures are assigned. The procedures must be designed and implemented to ensure the policy is consistently applied and in compliance with Indiana Code 6-1.1-37-10.


Paul D. Joyce, CPA
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