
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Political Subdivisions

FROM: Fred Van Dorp, Budget Division Director

RE: 2023 Supplemental Local Income Tax Distribution

DATE: May 16, 2023

The guidance below is to assist with the unit level calculations, distributions, and deposit of the 2023 Supplement Local Income Tax (“LIT”) Distribution as certified by the State Budget Agency (“SBA”) on May 1, 2023. As per Ind. Code § 6-3.6-9-15(d)(3), the county auditor shall distribute the supplemental LIT amounts to each eligible recipient before June 1.

Eligibility for this distribution is based on the SBA calculation of your county’s 2021 Trust Account Balance and your 2021 certified LIT distributions. This year there will be 82 counties eligible for the supplemental LIT distribution.

Along with this memo, the Department has posted unit-specific distributions for the supplement LIT. The unit-level distributions are based on the county LIT configuration and the same allocation percentages used for the 2021 LIT distribution. The unit-level report will separate the supplemental into separate pieces for Certified Shares, Public Safety, and Economic Development. A unit may use their supplemental LIT in accordance with any statutory stipulations associated with the type of LIT that they are eligible to receive. More specifically, if a unit receives a public safety supplemental LIT, it must be used for the same purposes outlined in statute for their public safety LIT.

County Auditors and Property Tax Relief

For any part of a supplemental distribution attributable to property tax relief credits, the adopting body for the county may allocate the supplemental distribution to property tax credits for not more than the three (3) years after the year the supplemental distribution is received. If the adopting body takes no action, the entire amount will be available for property tax relief in the ensuing year.

If you have questions about the distribution, please contact your [Department’s Budget Field Representative](#).