

**From:** Catherine Smith

**Sent:** Friday, January 10, 2020 11:53 AM

**To:** County Council; Julie Thomas; Lee Jones; Penny Githens

**Cc:** Lorie Robinson; Sarah Borden; Christopher Muench; Jessica McClellan; Angie Purdie

**Subject:** Current state of Income Tax (LIT) in Monroe County

County Leaders:

Because the Mayor has proposed an income tax increase, I think it is prudent to refresh your memory of the current state of County Option Income Tax that is collected.

1. The Original 1 % consists of:

- .9482 % Certified Shares that divide up among the various taxing units. In 2020, this will generate \$13,280,519.00 for the County, \$12,457,998.00 for the City and \$32,825,468 total for the 18 units that receive Certified Shares.
- .0518 % Property Tax Relief portion which generates \$1,793,250.00 to the citizens through wiping out an equivalent portion of their property taxes. I pay this to the Treasurer at Settlement time to offset the taxes the citizens were relieved of due to this tax and then that is added to the Certified Collections Report by the Treasurer. After all is said and done at Settlement, this money is then also divided up and given to the taxing units.
- So,  $.9482\% + .0518\% = 1\%$
- Further,  $\$32,825,468.00 + \$1,793,250 = \$34,618,718$  which is exactly 1 %.
- $\frac{1}{2}$  of 1 % for 2020 is \$17,309,359.00
- This would be the amount that is in play for the Income Tax Council, the Mayor and the County Council to consider.
- You cannot just consider the Certified Shares amount because the Property Tax Relief is subtracted from that amount.

2. Special Purpose Rate-Juvenile Local Income Tax IC 6-3.6-5 (JLIT) .095 % which is \$3,288,778 in 2020

3. Public Safety Local Income Tax (PSLIT) .1846 % which is \$6,390,615 in 2020

4. Public Safety Answering Point (PSAP) .0654 % which is \$2,264,064 in 2020

5. Total currently imposed Local Income Tax (LIT)= 1.345 % made up from 1-4 above.

The total Local Income Tax to be distributed to Monroe County Taxing Units in 2020 is 1.345 % of Monroe County's citizens' combined income. This total amount projected is \$46,562,175 plus the residual amount the Department of Revenue holds in trust for us and distributes to us once a year called the Supplemental LIT Distribution which in 2019 was \$3,399,320.00 which was 2018 shortage amount. The shortage amount for 2019 is expected to arrive sometime in May 2020 and the County Council will be notified when that happens.

I hope this information is useful and if you would like to discuss County Income Tax (LIT) further, feel free to contact me or the County Financial Director, Lorie Robinson.

Have a great weekend.

Catherine Smith  
Monroe County Auditor  
Office 812.349.2515