

## **Ordinance/Resolution Modifying Local Income Tax Rates Notes and Template**

---

The templates below may be used when the adopting body is adding, increasing, decreasing, or rescinding a local income tax rate. The template is designed to cover the more common LIT changes statewide. The statements below provide additional instructions on how to complete the Templates below:

1. The template should include both the existing tax rates and the proposed tax rates. The State Budget Agency posts the current LIT rates for each county on their [website](#).
2. As per Ind. Code § 6-3.6-6-2, the expenditure rate is the sum of the CERTIFIED SHARES, PUBLIC SAFETY, ECONOMIC DEVELOPMENT, and CORRECTIONAL and REHABILITATION FACILITY rates. The maximum expenditure rate that a county may adopt is 2.5% except for Marion County, which may adopt up to 2.75%.
3. The CORRECTIONAL and REHABILITATION FACILITY rate was added by HEA 1263 in 2018. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). The tax rate may not be in effect for more than twenty (20) years. A tax rate for a correctional and rehabilitation facility may only be adopted by the county fiscal body.
4. The EMS LIT was a new option passed under HEA 1246-2022. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). This tax rate may only be adopted by a county fiscal body. This option is only available to counties that (1) provide emergency medical services for all local units in the county; and (2) pay one hundred percent (100%) of the costs to provide those services.
5. Counties that direct a portion of their expenditure rate to the funding of their public safety access point (“PSAP”) should also include the additional section which identified how much of the county’s expenditure rate is associated with the PSAP.
6. Counties with a levy freeze rate should also include the additional section which identifies how much of the county’s expenditure rate is associated with levy freeze.
7. As per Ind. Code § 6-3.6-5-6, the maximum PROPERTY TAX RELIEF rate that a county may adopt is 1.25%.
8. Any update to the special purpose rate should include a reference to the specific statute under which the special purpose rate is authorized. These statutes can be found in Ind. Code § 6-3.6-7.
9. Tax rates should be expressed as percentages – ex. 0.25%, 1.00%, 2.50%.

10. Multiple LIT change rates can be modified on one template.

---

#### **ADDITIONAL NOTES ABOUT LIT ORDINANCE TEMPLATES**

---

While all counties will go through a similar process for changing their LIT configuration, the usage of an ordinance or a resolution that will be used is based on the county's original LOIT configuration:

In former CAGIT counties or in instances where the county council is the adopting body for the entire county, then the Notice to Taxpayers of Hearing on a proposed ordinance template may be used.

In former COIT counties and former CEDIT (only) counties, when the first member of the Local Income Tax Council proposes a LIT change, they will use the Notice to Taxpayers Hearing on Proposed Local Income Tax resolution template. This resolution must include the ordinance with their proposed changes. The other members of the Local Income Tax Council will use the Notice to Taxpayers Hearing on Proposed Local Income Tax ordinance template.

**NOTICE TO TAXPAYERS  
HEARING ON PROPOSED LOCAL INCOME TAX  
ORDINANCE # \_\_\_\_\_**

Notice is hereby given to the taxpayers of \_\_\_\_\_,  
(Name of Unit)

\_\_\_\_\_, County, Indiana, that the \_\_\_\_\_  
(County Name) (Name of Adopting Body)

will consider at \_\_\_\_\_  
(Location of Meeting)

at \_\_\_\_\_ o'clock am/pm on \_\_\_\_\_, 20\_\_, the following  
(Time) (Month and Day)

proposed ordinance regarding the local income tax imposed within \_\_\_\_\_ County.  
(County Name)

**[INSERT PROPOSED ORDINANCE HERE]**

After the public hearing, the \_\_\_\_\_ may take action on the proposed  
(Adopting Body)

ordinance. There is no remonstrance opportunity on any action taken on the proposed ordinance.

The public hearing identified above is the taxpayer's opportunity to express concerns and ask questions on the proposed ordinance.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Adopting Body)

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
LOCAL INCOME TAX  
ORDINANCE TEMPLATE**

---

**ORDINANCE # \_\_\_\_\_  
ORDINANCE MODIFYING LOCAL INCOME TAX RATES  
\_\_\_\_\_ COUNTY**

**BE IT ORDAINED** by the \_\_\_\_\_ of \_\_\_\_\_  
(Adopting Body) (County Name)

that a need now exists to modify the local income tax rates imposed in the following way:

Allocation Rate Category	Existing LIT Rate	Proposed LIT Rate
Certified Shares (IC 6-3.6-6)	%	%
Public Safety (IC 6-3.6-6)	%	%
Economic Development (IC 6-3.6-6)	%	%
Property Tax Relief Rate <sup>1</sup> (IC 6-3.6-5)	%	%
Special Purpose Rate <sup>2</sup> (IC 6-3.6-7-__)	%	%
Correctional or Rehabilitation Facilities <sup>3</sup> (IC 6-3.6-6-2.7)	%	%
Emergency Medical Service <sup>4</sup> (IC 6-3.6-6-2.8)	%	%

Note 1: Units are encouraged to consider both the county property tax relief LIT rate and the application of property tax relief between the allocation categories.

Note 2: If a unit is adopting a Special Purpose Rate, the unit must provide the IC Code for the rate.

Note 3: The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). This tax rate may only be imposed by a county fiscal body.

Note 4: This option is only available to counties that (1) provide emergency medical services for all local units in the county; and (2) pay one hundred percent (100%) of the costs to provide those services. The tax rate must be in increments of one-hundredth of one percent (0.01%) and

may not exceed two-tenths of one percent (0.2%). This tax rate may only be imposed by a county fiscal body.

<b>Property Tax Credit Allocation Categories (IC 6-3.6-5-6)</b>	<b>Existing Percent of Revenue</b>	<b>Proposed Percent of Revenue<sup>5</sup></b>
All Property Tax Allocation Categories	%	%
1% Allocation Type: Homesteads eligible for a credit under IC 6-1.1-20.6-7.5.	%	%
2% Allocation Type Residential property, agricultural land, long term care property, and other tangible property eligible for a credit under IC 6-1.1-20.6-7.5.	%	%
3% Allocation Type Nonresidential real property, personal property, and other tangible property eligible for a credit under IC 6-1.1-20.6-7.5.	%	%
Residential property, as defined in 6-1.1-20.6-4.	%	%
Qualified Residential Property Refers to any of the following, apartment complex, homestead, or residential rental property <sup>6</sup>	%	

Note 5: As per IC 6-3.6-5-6(e), a county may allocate property tax relief to all or any number of categories, but the overall percentage in the Proposed Percent of Revenue column must sum to 100%.

Note 6: Qualified Residential Property is no longer an option for Property Tax Relief. The row is being added to the template to allow counties still using the designation to report their current configuration as they change to an active Property Tax Relief option available under IC 6-3.6.



**FOR COUNTIES DIRECTING A PORTION OF PUBLIC SAFETY REVENUE TO PSAP**

The public safety allocation identified above includes revenue associated with an expenditure rate that was previously authorized for the purposes of funding the county’s public safety access point (“PSAP”). The revenue associated with this rate shall be directed to the PSAP prior to the distribution of the remainder of the public safety revenue.

<b>Allocation Rate Category</b>	<b>Existing LIT Rate</b>	<b>Proposed LIT Rate</b>
Public Safety (IC 6-3.6-6)	%	%

<b>Local Income Tax Type</b>	<b>Existing PSAP Rate</b>	<b>Proposed PSAP Rate</b>
------------------------------	---------------------------	---------------------------

Public Safety Access Point Rate	%	%
---------------------------------	---	---

.....

**THIS SECTION IS RESERVED FOR LEVY FREEZE COUNTIES ONLY**

The expenditure rate includes a rate associated with a levy freeze rate previously imposed under the former local option income tax statutes.

Allocation Rate Category	Existing LIT Rate	Proposed LIT Rate
Certified Shares (IC 6-3.6-6)	%	%

The levy freeze rate after adoption will be as follows:

Local Income Tax Type	Existing Rate	Proposed Rate
Levy Freeze Rate	%	%

**BE IT FURTHER ORDAINED** that a public hearing was held on the proposed local income tax rate modifications on \_\_\_\_\_, 202\_\_\_. Proper notice of the public hearing was provided pursuant to IC 5-3-1.

Duly adopted by the following vote of the members of said \_\_\_\_\_ this  
 \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_.  
 (Adopting Body)

**AYE**

**NAY**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Attest:** \_\_\_\_\_, **Fiscal Officer**

## **LIT Resolutions Templates**

The resolution templates are created for many of the more common LIT configurations that an adopting body may consider. As such, there may be sections on the template that are not applicable in certain instances.

While all counties will go through a similar process for changing their LIT configuration, the usage of an ordinance or a resolution that will be used is based on the county's original LOIT configuration:

In former CAGIT counties or in instances where the county council is the adopting body for the entire county, then the Notice to Taxpayers of Hearing on a proposed ordinance template may be used.

In former COIT counties and former CEDIT (only) counties, when the first member of the Local Income Tax Council proposes a LIT change, they will use the Notice to Taxpayers Hearing on Proposed Local Income Tax resolution template. This resolution must include the ordinance with their proposed changes. The other members of the Local Income Tax Council will use the Notice to Taxpayers Hearing on Proposed Local Income Tax ordinance template.

Additionally, the LIT statutes below reference four instances where action may be taken by the local income tax council or fiscal body via resolution.

### **IC 6-3.6-3-8(a), (b)**

#### **Local income tax council; resolution to propose an ordinance; distribution of copy of ordinance; vote**

- a) This section applies to a county in which the county adopting body is a local income tax council.
- b) Any member of a local income tax council may present an ordinance for passage. To do so, the member must adopt a resolution to propose the ordinance to the local income tax council and distribute a copy of the proposed ordinance to the county auditor. The county auditor shall treat any proposed ordinance distributed to the auditor under this section as a casting of all that member's votes in favor of the proposed ordinance.

### **IC 6-3.6-3-9(a), (b)**

#### **Local income tax council; voting by resolution**

- a) This section applies to a county in which the county adopting body is a local income tax council.
- b) A member of the local income tax council may exercise its votes by passing a resolution and transmitting the resolution to the county auditor.

### **IC 6-3.6-6-8(a), (c)**

#### **Allocation of certified distribution; allocation of revenue for public safety; dedication for PSAP; application for distribution by a fire department or emergency medical services provider**



- a) This section applies to the allocation of additional revenue from a tax under this chapter to public safety purposes. Funding dedicated for a PSAP under a former tax continues to apply under this chapter until it is rescinded or modified. If funding was not dedicated for a PSAP under a former tax, the adopting body may adopt a resolution providing that all or part of the additional revenue allocated to public safety is to be dedicated for a PSAP. The resolution first applies in the following year and then thereafter until it is rescinded or modified. Funding dedicated for a PSAP shall be allocated and distributed as provided in IC 6-3.6-11-4.
  
- c) A fire department, volunteer fire department, or emergency medical services provider that:
  - 1) Provides fire protection or emergency medical services within the county; and
  - 2) Is operated by or serves a political subdivision that is not otherwise entitled to receive a distribution of tax revenue under this section; may, before July 1 of a year, apply to the adopting body for a distribution of tax revenue under this section during the following calendar year. The adopting body shall review an application submitted under this subsection and may, before September 1 of a year, adopt a resolution requiring that one (1) or more of the applicants shall receive a specified amount of the tax revenue to be distributed under this section during the following calendar year. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. Any amount of tax revenue distributed under this subsection to a fire department, volunteer fire department, or emergency medical services provider shall be distributed before the remainder of the tax revenue is allocated under subsection (b).

**IC 6-3.6-6-11(d)**

**Eligibility for allocation of certified shares; civil taxing units; school corporations excluded**

- (d) A county solid waste management district (as defined in IC 13-11-2-47) or a joint solid waste management district (as defined in IC 13-11-2-113) is not a civil taxing unit for the purpose of receiving an allocation of certified shares under this chapter unless a majority of the members of each of the county fiscal bodies of the counties within the district passes a resolution approving the distribution.

**NOTICE TO TAXPAYERS  
HEARING ON PROPOSED LOCAL INCOME TAX  
RESOLUTION # \_\_\_\_\_**

Notice is hereby given to the taxpayers of \_\_\_\_\_,  
(Name of Unit)

\_\_\_\_\_, County, Indiana, that the \_\_\_\_\_  
(County Name) (Name of Adopting Body)

will consider at \_\_\_\_\_  
(Location of Meeting)

at \_\_\_\_\_ o'clock am/pm on \_\_\_\_\_, 202\_, the following  
(Time) (Month and Day)

proposed resolution regarding the local income tax imposed within \_\_\_\_\_ County.  
(County Name)

**[INSERT PROPOSED RESOLUTION HERE]**

After the public hearing, the \_\_\_\_\_ may take action on the proposed  
(Adopting Body)

resolution. There is no remonstrance opportunity on any action taken on the proposed resolution.

The public hearing identified above is the taxpayer's opportunity to express concerns and ask questions on the proposed resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 202\_.

\_\_\_\_\_  
(Adopting Body)

**RESOLUTION # \_\_\_\_\_**  
**RESOLUTION MODIFYING LOCAL INCOME TAX RATES**  
**\_\_\_\_\_ COUNTY**

**BE IT RESOLVED** by the \_\_\_\_\_ of \_\_\_\_\_  
 (Adopting Body) (Unit Name)

that a need now exists to modify the local income tax rates imposed in the following way:

<b>Allocation Rate Category</b>	<b>Existing LIT Rate</b>	<b>Proposed LIT Rate</b>
Certified Shares (IC 6-3.6-6)	%	%
Public Safety (IC 6-3.6-6)	%	%
Economic Development (IC 6-3.6-6)	%	%
Property Tax Relief Rate <sup>1</sup> (IC 6-3.6-5)	%	%
Special Purpose Rate <sup>2</sup> (IC 6-3.6-7-__)	%	%
Correctional or Rehabilitation Facilities <sup>3</sup> (IC 6-3.6-6-2.7)	%	%
Emergency Medical Service <sup>4</sup> (IC 6-3.6-6-2.8)	%	%

Note 1: Units are encouraged to consider both the county property tax relief LIT rate and the application of property tax relief between the allocation categories.

Note 2: If a unit is adopting a Special Purpose Rate, the unit must provide the IC Code for the rate.

Note 3: The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). This tax rate may only be imposed by a county fiscal body.

Note 4: The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). This tax rate may only be imposed by a county fiscal body.

<b>Property Tax Credit Allocation Categories (IC 6-3.6-5-6)</b>	<b>Existing Percent of Revenue</b>	<b>Proposed Percent of Revenue<sup>5</sup></b>
All Property Tax Allocation Categories	%	%
1% Allocation Type: Homesteads eligible for a credit under IC 6-1.1-20.6-7.5.	%	%
2% Allocation Type Residential property, agricultural land, long term care property, and other tangible property eligible for a credit under IC 6-1.1-20.6-7.5.	%	%
3% Allocation Type Nonresidential real property, personal property, and other tangible property eligible for a credit under IC 6-1.1-20.6-7.5.	%	%
Residential property, as defined in 6-1.1-20.6-4.	%	%
Qualified Residential Property Refers to any of the following, apartment complex, homestead, or residential rental property <sup>6</sup>	%	

Note 5: As per 6-3.6-5-6(e), a county may allocate property tax relief to all or any number of categories, but the overall percentage in the Proposed Percent of Revenue column must sum to 100%.

Note 6: Qualified Residential Property is no longer an option for Property Tax Relief. The row is being added to the template to allow counties still using the designation to report their current configuration as they change to an active Property Tax Relief option available under IC 6-3.6.



**FOR COUNTIES DIRECTING A PORTION OF PUBLIC SAFETY REVENUE TO PSAP**



---

---

**OPTIONAL: ELIGIBILITY FOR ALLOCATION OF CERTIFIED SHARES FOR COUNTY SOLID WASTE MANAGEMENT DISTRICTS**

**BE IT RESOLVED** that pursuant to IC 6-3.6-6-11(d), the county solid waste management districts (as defined in IC 13-11-2-47) or a joint solid waste management districts (as defined in IC 13-11-2-113) listed below shall be considered a civil taxing unit for the purpose of receiving an allocation of certified shares.

**Solid Waste Management District Name**

---

---

---

---

---



**BE IT FURTHER RESOLVED** that a public hearing was held on the proposed local income tax rate modifications on \_\_\_\_\_, 202\_. Proper notice of the public hearing was provided pursuant to IC 5-3-1.

Duly adopted by the following vote of the members of said \_\_\_\_\_ this  
\_\_\_\_\_ day of \_\_\_\_\_, 202\_.  
(Adopting Body)

**AYE**

**NAY**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**Attest:** \_\_\_\_\_, **Fiscal Officer**