

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7009**

**BILL NUMBER:** HB 1409

**NOTE PREPARED:** Jan 1, 2023

**BILL AMENDED:**

**SUBJECT:** Local Income Tax Excess Balance.

**FIRST AUTHOR:** Rep. Smaltz

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the budget agency to make a supplemental distribution to a county from the county's trust account if the budget agency determines that the balance in the county's trust account exceeds 11% (which is a decrease from 15% under current law) of the certified distributions to be made to the county in a determination year. It provides that the amount of the supplemental distribution is equal to the amount by which: (1) the balance in the county trust account; minus (2) the amount of any supplemental or special distribution that has not yet been accounted for in the last known balance of the county's trust account; exceeds 11% (which is a decrease from 15% under current law) of the certified distributions to be made to the county in the determination year.

**Effective Date:** January 1, 2023 (retroactive); January 1, 2024.

**Explanation of State Expenditures:** *State Budget Agency (SBA):* The bill's requirement of changing the trust account balance percentage threshold used in the supplemental distribution formula is within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The bill's requirement of changing the trust account balance percentage threshold used in the supplemental distribution formula from 15% to 11% is estimated to result in approximately an additional \$103 M of local income tax (LIT) revenue distributed to local units of

government statewide during the supplemental distribution process in CY 2023.

Additional Information - The table included at the end of this fiscal note shows the estimated calculated supplemental distribution amounts for each county in CY 2023. The Baseline Estimated CY 2023 Supplemental Distribution column represents the estimated calculated supplemental distribution in CY 2023 that factors in the current 15% (of the trust account balance) threshold used in the supplemental distribution formula. The Estimated CY 2023 Supplemental Distribution column represents the estimated calculated supplemental distribution in CY 2023 that factors in the proposed 11% (of the trust account balance) threshold used in the supplemental distribution formula.

**State Agencies Affected:** State Budget Agency.

**Local Agencies Affected:** Units of local government that receive LIT revenue.

**Information Sources:** CY 2023 Certified Local Income Tax Distribution Data:  
<https://www.in.gov/sba/files/2023-Certification-Calculations-new.pdf>

Local Income Tax Balance Reports: <https://www.in.gov/sba/budget-information/local-income-tax-data/>

**Fiscal Analyst:** James Johnson, 317-232-9869.

County	CY 2023 Total Certified Distribution	Baseline Estimated CY 2023 Supplemental	Estimated CY 2023 Supplemental Distribution	Difference
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<b>Distribution</b>				
Adams	\$15,462,000	\$570,500	\$1,106,200	\$535,700
Allen	\$180,680,400	\$3,925,700	\$10,324,600	\$6,399,000
Bartholomew	\$48,003,300	-	\$348,300	\$348,300
Benton	\$3,823,500	\$81,100	\$226,300	\$145,200
Blackford	\$3,837,700	\$42,300	\$183,500	\$141,100
Boone	\$71,107,300	\$3,079,000	\$5,225,600	\$2,146,600
Brown	\$10,870,500	-	-	-
Carroll	\$12,187,400	\$946,100	\$1,408,600	\$462,500
Cass	\$23,769,600	-	-	-
Clark	\$63,767,300	\$2,457,000	\$4,999,000	\$2,542,000
Clay	\$13,667,300	\$27,700	\$536,300	\$508,500
Clinton	\$18,388,000	\$993,700	\$1,683,800	\$690,100
Crawford	\$1,902,800	\$39,800	\$114,500	\$74,700
Daviess	\$12,806,300	\$523,300	\$981,900	\$458,500
Dearborn	\$18,423,100	\$490,500	\$1,187,700	\$697,300
Decatur	\$17,458,800	\$804,300	\$1,451,400	\$647,100
DeKalb	\$28,033,900	\$783,900	\$1,791,600	\$1,007,700
Delaware	\$35,614,500	-	\$1,084,900	\$1,084,900
Dubois	\$18,448,700	-	\$249,200	\$249,200
ElKhart	\$138,983,000	\$5,953,100	\$10,541,800	\$4,588,800
Fayette	\$10,982,400	-	\$389,000	\$389,000
Floyd	\$35,820,500	-	\$1,237,600	\$1,237,600
Fountain	\$8,537,300	\$177,900	\$493,700	\$315,900
Franklin	\$10,681,500	\$174,800	\$557,000	\$382,200
Fulton	\$13,470,700	\$142,100	\$617,200	\$475,100
Gibson	\$8,825,200	-	\$299,400	\$299,400
Grant	\$32,369,500	-	\$116,800	\$116,800
Greene	\$15,167,900	\$431,600	\$943,200	\$511,600
Hamilton	\$232,750,300	\$8,169,900	\$16,162,100	\$7,992,200
Hancock	\$53,663,000	\$1,544,500	\$3,501,700	\$1,957,200
Harrison	\$10,198,800	\$43,500	\$432,500	\$389,000
Hendricks	\$106,937,000	\$5,063,100	\$8,870,300	\$3,807,200
Henry	\$17,954,500	\$531,500	\$1,200,700	\$669,200
Howard	\$35,446,100	-	\$394,200	\$394,200
Huntington	\$18,133,400	\$376,300	\$1,051,900	\$675,600
Jackson	\$23,641,100	\$391,600	\$1,280,000	\$888,400
Jasper	\$26,167,700	\$1,349,200	\$2,281,900	\$932,600
Jay	\$10,322,100	\$323,800	\$699,600	\$375,800
Jefferson	\$7,477,200	\$622,800	\$912,200	\$289,400
Jennings	\$14,161,700	\$256,500	\$799,000	\$542,500
Johnson	\$77,929,900	\$1,566,000	\$3,948,600	\$2,382,600
Knox	\$15,645,300	\$135,700	\$549,200	\$413,500
Kosciusko	\$25,393,700	-	-	-
LaGrange	\$19,828,900	\$1,270,100	\$1,933,200	\$663,200
Lake	\$212,235,600	\$809,100	\$8,523,300	\$7,714,100
LaPorte	\$43,363,100	-	\$757,200	\$757,200
Lawrence	\$19,140,300	-	\$235,700	\$235,700
Madison	\$64,421,900	-	\$1,407,100	\$1,407,100
Marion	\$538,412,200	-	\$19,581,600	\$19,581,600
Marshall	\$16,444,100	-	-	-
Martin	\$5,524,900	-	-	-
Miami	\$17,302,800	-	\$475,800	\$475,800
Monroe	\$83,304,200	\$90,300	\$2,032,600	\$1,942,300
Montgomery	\$24,617,900	\$414,300	\$1,193,400	\$779,000
Morgan	\$54,634,000	\$1,991,300	\$3,998,800	\$2,007,500
Newton	\$3,523,300	-	\$59,400	\$59,400
Noble	\$21,121,900	\$218,500	\$964,100	\$745,600
Ohio	\$2,211,400	\$4,300	\$86,900	\$82,600
Orange	\$6,693,300	\$184,300	\$435,200	\$250,900
Owen	\$11,137,600	-	-	-
Parke	\$9,217,900	\$549,600	\$886,800	\$337,200
Perry	\$6,206,500	\$179,400	\$460,300	\$280,900
Pike	\$2,303,600	-	\$44,000	\$44,000

Porter	\$31,081,000	\$144,700	\$1,290,600	\$1,145,900
Posey	\$10,484,700	-	\$53,200	\$53,200
Pulaski	\$8,175,300	\$977,200	\$1,277,200	\$300,000
Putnam	\$18,187,400	\$640,200	\$1,322,000	\$681,800
Randolph	\$15,972,200	-	-	-
Ripley	\$11,684,700	\$782,100	\$1,188,600	\$406,500
Rush	\$8,553,200	\$279,900	\$599,500	\$319,600
St. Joseph	\$143,657,000	-	\$3,888,800	\$3,888,800
Scott	\$10,202,500	\$341,600	\$732,700	\$391,100
Shelby	\$19,462,800	-	-	-
Spencer	\$4,429,800	-	\$105,700	\$105,700
Starke	\$8,325,900	\$374,700	\$667,000	\$292,300
Steuben	\$18,963,000	\$436,300	\$1,126,600	\$690,300
Sullivan	\$7,453,600	-	-	-
Switzerland	\$2,662,500	-	-	-
Tippecanoe	\$64,517,600	-	\$1,584,100	\$1,584,100
Tipton	\$10,792,300	-	\$213,600	\$213,600
Union	\$3,261,300	-	-	-
Vanderburgh	\$61,681,900	-	\$1,976,900	\$1,976,900
Vermillion	\$5,430,100	\$154,600	\$359,100	\$204,500
Vigo	\$50,233,600	\$1,718,300	\$3,500,400	\$1,782,100
Wabash	\$23,947,000	-	-	-
Warren	\$5,286,000	\$187,800	\$378,000	\$190,200
Warrick	\$26,418,100	-	\$515,500	\$515,500
Washington	\$12,085,500	\$769,400	\$1,200,600	\$431,100
Wayne	\$18,203,100	\$2,740,000	\$3,421,400	\$681,400
Wells	\$16,654,000	-	-	-
White	\$15,109,500	\$829,800	\$1,364,800	\$535,000
Whitley	\$17,065,900	\$126,600	\$756,800	\$630,200