
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**FROM: Wesley R. Bennett, DLGF Commissioner
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DATE: June 8, 2020

RE: Executive Order on the Extension of Certain Local Income Tax Deadlines

Governor Eric Holcomb issued Executive Order #20-31 (“E.O. #20-31”) on June 3, 2020. E.O. #20-31 extends certain statutory deadlines for the calculation and distribution of local income tax (“LIT”) revenue. The Department of Local Government Finance (“DLGF”) issues this memorandum in collaboration with the State Budget Agency (“SBA”) and Department of Revenue (“DOR”) to discuss this directive in E.O. #20-31.

Extension of Certain Tax Deadlines

E.O. #20-31 states in Section 13 that “[a]s the filing deadline for annual state income tax returns or amended returns has been extended to July 15, 2020, pursuant to Executive Order 20-05, the deadline for the calculation of LIT revenue available for distribution to local governments should also be extended or adjusted accordingly.”

The affected deadlines are as follows:

- The deadline under IC 6-3.6-9-5(a) for the SBA to provide to the DLGF and each county auditor an estimate of the distribution of LIT revenue to the county is extended from August 2, 2020 to **September 15, 2020**.
- The deadline under IC 6-3.6-9-5(b) for SBA to provide to the DLGF and each county auditor the certified distribution is extended from October 1, 2020 to **October 15, 2020**.
- The time period under IC 6-3.6-9-4, which states the distribution is based on revenue reported on state income tax returns and amended returns in the state fiscal year ending before July 1 of the calendar year when SBA makes the determination (i.e., July 1, 2019 to June 30, 2020), is modified as follows:
 - o Revenue determined to be distributed to a county in 2021 shall be based on the revenue reported on state income tax returns and amended returns processed by DOR from **July 1, 2019 to August 31, 2020**. The revenue counted from this time period will not be counted for the distribution in 2022.

- Revenue determined to be distributed to a county in 2022 shall be based on the revenue reported on state income tax returns and amended returns processed by DOR from **September 1, 2020** to **June 30, 2021**. The revenue counted from this time period will not include revenue reported from state income tax returns and amended returns from July 1, 2020 to August 31, 2020.

Due to the extension of the estimate and certified LIT distributions, the DLGF will provide preliminary LIT distributions to give officials of the unit an idea of what the LIT distributions may be as they begin to prepare the unit’s budget for the upcoming year. These preliminary LIT distributions will be available on July 1, 2020.

Therefore, the calendar, as modified by E.O. #20-31, for providing estimates and certifications of LIT distributions is as follows:

July 1, 2019 to August 31, 2020	State income tax returns and amended returns processed by DOR within this time period are to be included in the SBA determination of the amount distributed to county in 2021. (IC 6-3.6-9-4)
September 1, 2020 to June 30, 2021	State income tax returns and amended returns processed by DOR within this time period are to be included in the SBA determination of the amount distributed to county in 2022. (IC 6-3.6-9-4)
July 1, 2020	DLGF will provide preliminary 2021 distribution of LIT revenue.
September 15, 2020	SBA provides estimate of 2021 distribution of LIT revenue to the DLGF and the county auditor. (IC 6-3.6-9-5(a))
September 30, 2020	DLGF notifies the county auditor of the estimated amount of LIT distributions for each taxing unit in the county for 2021. (IC 6-3.6-9-5(a))
October 15, 2020	SBA provides certified 2021 distribution of LIT revenue to the DLGF and the county auditor. (IC 6-3.6-9-5(b))
October 30, 2020	DLGF notifies the county auditor of the certified amount of LIT distributions for each taxing unit in the county for 2021. (IC 6-3.6-9-5(b))