**Property Tax Shortfall Due to Erroneous Assessed Valuation**

Under Ind. Code § 6-1.1-18.5-16, a unit may seek an appeal due to a shortfall of property taxes resulting from erroneous assessed value or refunds for successful assessment appeals. This appeal is available only when the shortfall affects funds that fall within the maximum levy. This is a temporary appeal, meaning that an approved increase in the maximum levy is effective for one year only.

Please note that Ind. Code § 6-1.1-18.5-16 provides that a unit may not make an appeal due to a shortfall that was experienced in excess of five years from the date of the most recent certified budget, rate, and levy of the unit. In other words, an appeal submitted on account of a shortfall experienced more than five years before the current certified budget, rate, and levy will not be granted, though an increase for shortfalls experienced within this five-year period may still be granted.

The unit must do the following as part of its appeal to the Department:

1. State which budget year(s) experienced a shortfall.
2. Describe in detail what caused the error(s) in assessed value and the dollar amount associated with the error(s).
3. List the unit’s district numbers, per the auditor’s reports, and calculate the sum of the following:
   1. Total District Net Amount from the 127-CER Report.
   2. Total District Net Amount from the 17-TC Report.
   3. Total District Net Errors and Refunds Issued. Page 6 of 8
4. Subtract the actual distribution and the circuit breaker from the certified levy of each fund (excluding debt and cumulative funds).
5. If the unit received a levy excess within the past five years, state the taxing year(s) and amount(s).
6. Whether the unit transferred funds to its rainy day fund during the budget year, the immediately preceding budget year, or the year of the shortfall, and:
   1. if it did, provide the amount and the fund from which the transfer was made; or
   2. if it did not, whether the unit plans to transfer funds to the rainy day fund in the near future. If the unit plans to transfer funds, what is the anticipated amount?

The unit must state with specificity the cause of the shortfall and provide the following:

1. County Form 127-CER (Register of Certificates of Error) for the year(s) in which the shortfall occurred for each taxing district of which the unit is a taxing entity;
2. County Form 17-TC (Certificate of County Auditor of Tax Refund Claims) for each taxing district of which the unit is a taxing entity. Refunds must clearly indicate the assessment year for which the refund is claimed; and
3. County Form 22 (County Auditor’s Certificate of Tax Distribution) for each year the unit is claiming a property tax shortfall.

Failure to provide the necessary documents may result in denial of the appeal. Please note that this appeal is calculated for the amount of a unit’s portion of errors and refunds and does not include delinquent payments or circuit breaker shortfalls. These amounts will not be included in the calculation of the actual shortfall experienced. Again, debt funds and cumulative funds do not qualify for this appeal.

A difference in assessed valuation between the certified net assessed value and the county abstract does not mean that an error necessarily occurred. A unit alleging a shortfall because of a difference in assessed valuation between the certified net assessed value and the county abstract must demonstrate to the Department that the difference was due to an actual error, not simply the auditor’s statutorily permissible withholding of assessed valuation under Ind. Code § 6-1.1-17- 0.5 or statutorily required withholding under Ind. Code § 6-1.1-17-1(f).

Also, the Department will not grant a shortfall appeal in an amount greater than the unit’s portion of errors and refunds, even if the unit’s actual shortfall is greater than its portion of errors and refunds. Finally, although a shortfall appeal is statutorily not due **until January 2 (for budget year 2025), the Department requests that this appeal be submitted as soon as possible to facilitate timely budget review and certification.**

Remainder of the page is intentionally left blank.

**Report of Appealing Taxing Unit**

The Department has prescribed this template through which a petitioner supplies the information the Department requires pursuant to Ind. Code § 6-1.1-18.5-12(c). The required information must be filed with the Department on or before **October 21, 2024**. Only email submissions bearing a timestamp of **OCTOBER 21** or earlier will be considered. Completed submissions and additional questions about excess levy appeals should be sent by email to your [Budget Field Representative](https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf).

Note that Ind. Code § 6-1.1-17-3(a)(6) requires that any request for an excess levy appeal be advertised as part of the notice to taxpayers of the estimated budget. Failure to comply with Ind. Code § 6-1.1-17-3(a)(6) will be cause for denial.

All requests for consideration of an appeal must be specific. Please note that the Department will utilize reports from the budget certification process (Form 3, Fund Report, and Estimate of Miscellaneous Revenues) during its review of an appeal application. The Department may also consider the unit’s submitted Gateway reports, including the Annual Financial Report, Employee Compensation Report, and Budget Form 4B. If this information is not representative of your unit’s current financial situation, please provide updated financial information and explanations as to the differences.

To submit a petition to the Department units will complete the following pages specific to the appeal and the certification page. Petitions must also include any additional supporting documentation that contains an explanation or justification of the appeal and the appeal amount. Pursuant to Ind. Code § 6-1.1-18.5-12(a), the Department may deny an excess levy appeal on the basis that the unit has not provided an explanation that the unit will not be able to perform its government functions without an excess levy. The Department may also deny or modify an excess levy appeal on the basis that the unit has sufficient fund balances to allow it to carry out its governmental functions. Additionally, the Department will take circuit breaker credits into consideration when estimating fund balance amounts.

Pursuant to Ind. Code § 6-1.1-18.5-12(c), the Department reserves the right to require the appropriate unit official to produce relevant records or books in consideration of the appeal.

**Failure to timely respond with requested information may be cause for denial of the appeal.**

Remainder of the page is intentionally left blank.

**EXCESS LEVY APPEAL PETITION – SECTION 1: COVER PAGE**

Property Tax Shortfall Due to Erroneous Assessed Valuation

|  |  |
| --- | --- |
| **Taxing Unit Name:** |  |
| **County:** |  |
| **Fiscal Officer Name:** |  |
| **Office Address:** |  |
| **Telephone Number:** |  |
| **Email Address:** |  |
| **Financial Advisor Contact Information:** |  |
| **Appeal Amount:** |  |

For consideration, the submission must include the following documentation. Confirm that the following documents have been prepared and are included with your submission.

|  |  |  |
| --- | --- | --- |
|  | Required Documentation | Included? |
| 1. | Cover page – Section 1. | Y or N |
| 2. | Excess Levy Appeal Petition - Section 2, Section 3, Section 4, Section 5. | Y or N |
| 3. | Petition to appeal for an increase above the maximum levy. | Y or N |
| 4. | Signed Certification of Appeal Information. | Y or N |
| 5. | County Form 127-CER (Register of Certificate of Error) for the year(s) in which the shortfall occurred for each taxing district of which the unit is a taxing entity. | Y or N |
| 6. | County Form 17-TC (Certificate of County Auditor of Tax Refund Claims) for each taxing district of which the unit is a taxing entity. Refunds must clearly indicate the assessment year for which the refund is claimed. | Y or N |
| 7. | County Form 22 (County Auditor’s Certificate of Tax Distribution) for each year the unit is claiming a property tax shortfall (for both the June and December settlements). | Y or N |

**EXCESS LEVY APPEAL PETITION – SECTION 2**

Property Tax Shortfall Due to Erroneous Assessed Valuation

**Section 2.1 – Non-Property Tax Revenue Available to Unit – *report revenue for all funds***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Revenue Type** | 2022 | 2023 | 2024 | 2025  (Estimated) |
| LIT – Certified Shares |  |  |  |  |
| LIT – Supplemental |  |  |  |  |
| LIT – Public Safety |  |  |  |  |
| LIT – Economic Development |  |  |  |  |
| CVET |  |  |  |  |
| Excise |  |  |  |  |
| FIT |  |  |  |  |
| Other Revenue Source 1  (Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 2  (Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 3  (Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 4  (Please describe): \_\_\_\_\_ |  |  |  |  |
| Other Revenue Source 5  (Please describe): \_\_\_\_\_ |  |  |  |  |

**Section 2.2 – Percentage Increase to the Levy**

|  |  |  |
| --- | --- | --- |
| Requested Appeal | 2025 Max Levy | Percentage Increase  (Requested Appeal /  2025 Max Levy) |
|  |  |  |

**Section 2.3 – Estimated Impact to the Tax Rate**

|  |  |  |
| --- | --- | --- |
| Requested Appeal | 2025 Certified Net Assessed Value General Fund1 | Percentage Increase  (Requested Appeal /  2025 CNAV) |
|  |  |  |

***Note 1: The 2025 NAV must be certified by the county auditor by August 1. If the NAV has not been certified, contact the county auditor for an estimated value.***

**Section 2.4 – Levy Excess**

Use the table below to report any Levy Excess amount in the prior five years.

|  |  |
| --- | --- |
| **Budget Year** | **Levy Excess Amount** |
| 2024 | $ |
| 2023 |  |
| 2022 |  |
| 2021 |  |
| 2020 |  |

**Section 2.5 – Cash Balances as of December 31, unless noted differently.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund** | 2021 | 2022 | 2023 | 2024  (June 30) |
|  |  |  |  |  |
|  |  |  |  |  |
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|  |  |  |  |  |
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***Note: A separate fund report for the years shown can be submitted with the Appeal Petition in lieu of completing Section 3.4.***

Remainder of the page is intentionally left blank.

**EXCESS LEVY APPEAL PETITION – SECTION 3**

Property Tax Shortfall Due to Erroneous Assessed Valuation

**Section 3.1 – Certified Levy Distribution Amounts**

Complete the following information to compute the amount of distribution less than 100% of the unit’s certified levy. Columns A, B, and C can be found on the Certified Budget Order.

*Use additional sheets if multiple shortfall years are claimed.*

|  |  |
| --- | --- |
| Enter Shortfall  Year |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (A) Fund | (B) Certified Levy | (C) Certified Rate | (D) Actual Distribution | (E) Circuit Breaker |
|  | $ | $ | $ |  |
|  | $ | $ | $ |  |
|  | $ | $ | $ |  |
|  | $ | $ | $ |  |
|  | $ | $ | $ |  |
|  | $ | $ | $ |  |
|  | $ | $ | $ |  |
| Total | $ | $ | $ |  |

Note 1: Appeals must only be made for funds that are within the maximum levy; debt funds and certain cumulative funds do not qualify for this appeal.

Note 2: Units may file a shortfall appeal for different years. If the shortfall will cover more than one year, the unit should include a separate Section 5 for each year being appealed.

**EXCESS LEVY APPEAL PETITION – SECTION 4**

Property Tax Shortfall Due to Erroneous Assessed Valuation

**Section 4.1 – Justification for Appeal**

1. Describe the error and justify the financial need for the appeal. Include an explanation of how the unit will be unable to perform its governmental function without an excess levy.

**EXCESS LEVY APPEAL PETITION – SECTION 5**

Property Tax Shortfall Due to Erroneous Assessed Valuation

*Use additional sheets if multiple shortfall years are claimed or if more taxing districts have to be included.*

|  |  |
| --- | --- |
| Enter Shortfall  Year |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (A)  District # and Name | (B)  District Net Error Amount | (C)  District Net  Refund Amount | (D)  Total District  Errors & Refunds | (E)  District Rate | (F)  Unit’s Rate | (G)  Unit’s Percent of District Rate | (H)  Unit’s Portion of Errors & Refunds |
|  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  | **Total** |  |

Notes: Column A: List all the taxing districts of which the unit is a part.

Column B: Enter the amount from the net column for that district from the 127-CER report.

Column C: Enter the amount from the net column for that district from the 17-TC report.

Column D: Add columns B and C.

Column E: This information can be found on the Department website; it is a page that is submitted with the Certified Budget Order.

Column F: This is the unit’s total rate of all qualifying funds; it is the total rate from column C of the calculation in step 2.

Column G: Divide column F by column E.

Column H: Multiply column D by column

**PETITION TO APPEAL FOR AN INCREASE ABOVE THE MAXIMUM LEVY**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

(Fiscal Body) (Taxing Unit)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ County, State of Indiana, has determined to appeal to the

(County Name)

Department of Local Government Finance for an excess property tax levy.

|  |  |
| --- | --- |
| Appeal Type | Appeal Amount |
| SHORTFALL APPEAL |  |

We do hereby resolve to proceed with a petition for an excess property tax levy to the Department of Local Government Finance to increase the taxing unit’s maximum levy and we represent that the taxing unit cannot carry out its governmental functions under its current maximum levy for the ensuing calendar year without the excess levy.

Adopted this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_

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| --- | --- |
| FOR | AGAINST |
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ATTEST: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**CERTIFICATION**

I, the undersigned, hereby certify that the attached appeal information and supporting documentation are correct to the best of my knowledge and belief.

Signed this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Printed Name of Fiscal Officer)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Title)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Email)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Printed Name of Financial Advisor/Consultant)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
(Email)