



Excise Allocation Worksheet & Reconciliation Worksheet

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AGENDA

- Introduction to Excise Taxes
- Deep Dive:
 - Excise Allocation Worksheet
 - History of State Remittance Portion
 - Excise Reconciliation Worksheet
 - Best Practices for Excise Reconciliation with County Treasurer
- Excise Frequently Asked Questions



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EXCISE TAX

- While it is tempting to only think about Property Taxes during Settlement, Excise Taxes appear on nearly all Settlement forms & worksheets:
 - Excise Tax Allocation Worksheet
 - Excise Tax Reconciliation Worksheet
 - 49TC
 - Form 102's/105
 - Quietus Worksheet



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EXCISE TAX, cont.

- Excise presents unique challenges during the Settlement process:
 - Property Tax is based on a fixed geographic location – taxes are collected at a local level & can be distributed based on the location.
 - Excise Tax refers to 7 different taxes collected by the State & distributed to local governments.
 - Excise Tax is tied to an individual – not a location – which means extra steps are needed to distribute the Excise Taxes.
 - During Settlement, a portion of Excise Tax distributed to the county is returned to the State.



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EXCISE TAX, cont.

- Based on data reported on the Form 22, Excise Taxes represent almost \$1.7B of revenue for local governments over the last three years.

Distribution Type	2021	2022	2023
Property Tax	7,611,242,006	7,902,309,726	8,668,525,423
License Excise	603,704,811	589,260,390	587,338,188
Financial Institution Tax	73,404,967	82,961,243	71,628,527
Commercial Vehicle Excise Tax	44,995,928	46,541,431	48,374,087



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EXCISE TAX ALLOCATION



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EXCISE TAX ALLOCATION Worksheet

- The Excise Tax Allocation Worksheet is a required part of every County's Settlement submission.
- The worksheet calculates & presents both:
 1. The amount of Excise Tax to be distributed to each taxing district.
 2. The amount of Excise Tax that will be remitted to the State.



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EXCISE TAX ALLOCATION Worksheet Sections

Section A:
County Specific
taxing district

Section B:
Excise Tax included in
the calculation of
portion subject to state
remittance

Section C:
State Fund Deduction
Allocation Factors.

Section D:
Excise Tax excluded
from the calculation of
portion subject to state
remittance.



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EXCISE TAX ALLOCATION – Section A

Section A - Taxing Districts

- Select your county name
- Taxing districts will prepopulate
- Taxing districts are largely based on taxing district names & numbers from 2014 budget data

Select your county from the drop-down

Select County Name

County



4 Select your county from the drop-down

5 Select County Name

Spencer
 Starke
 Steuben
 Sullivan
 Switzerland
 Tippecanoe
 Tipton
 Union
 Vanderburgh
 Vermillion
 Vigo
 Wabash
 Warren
 Warrick
 Washington
 Wayne
 Wells
 White
 Whitley
 Select County Name



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EXCISE TAX ALLOCATION – Section B

Section B – Included Excise Tax

- Excise Taxes included in the calculation of State Fund Deduction amounts & the State Remittance
- Used with Section C to calculate the State Remittance Portion

B	C	D	F	G
		Excise Tax		
Motor Vehicle Excise Tax	Watercraft Excise Tax	Replacement Credit	Aircraft Excise Tax	Total Excise Subject to SWETA, Welfare, & School



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EXCISE TAX ALLOCATION – Section B, cont.

- The types of Excise Tax included in the calculation of State Fund

Deduction amounts are:

1. Motor Vehicle Excise Tax
2. Watercraft Excise Tax
3. Excise Tax Replacement Credit
4. Aircraft Excise Tax



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EXCISE TAX ALLOCATION – Section C

Section C – Deduction Allocation Factors

- Used with Section B to calculate the State Remittance portion.
- Additional information about the history of the factors will be detailed later in the presentation.

H	I	J	K	L	M	N
SWETA Allocation Factor	SWETA Deduction	2009 Welfare Excise Tax Allocation Factor	2009 Welfare Excise Tax Allocation Deduction	2009 School Excise Tax Allocation Factor	2009 School Excise Tax Allocation Deduction	Excise to Distribute after SWETA, 2009 Welfare Excise Tax Allocation and 2009 School Excise Tax Allocation Deductions



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EXCISE TAX ALLOCATION – Section D

Section D – Excluded Excise Tax

- Excise Taxes that will be included in Settlement but are not subject to State remittance calculation.

O	P	Q	R
Auto Rental Excise	Heavy Equipment Rental Excise	Vehicle Sharing Excise	Total Excise Tax for Distribution



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EXCISE TAX ALLOCATION – Section D, cont.

- The types of Excise Tax excluded from the calculation of State Fund Deduction amounts are:
 1. Auto Rental Excise Tax
 2. Heavy Equipment Rental Excise Tax
 3. Vehicle Sharing Excise Tax



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EXCISE TAX ALLOCATION Phases

- Sections B & C both reference the State Remittance portion of the excise calculation – this covers 2 major shifts in tax policy:
 - Phase 1 - Section C. SWETA Allocation Factor
 - Phase 2 - Section C. 2009 Welfare and Excise Tax Allocation Factor



EXCISE TAX ALLOCATION Phase 1

Phase 1. Section C. SWETA Allocation Factor:

- Section 59 P.L. 273 Acts of 1999 required the calculation of the state welfare allocation to be made prior to the Excise Tax distributions calculations.
 - The 1997, 1998 and 1999 fund Property Tax rates for the Welfare Administration and the County Welfare funds were added together.
 - The 1997, 1998 and 1999 taxing district rates were added together.
 - The total of the 3-year fund rates were divided by the total of the 3-year taxing district rates to arrive at the Allocation Factor.



EXCISE TAX ALLOCATION Phase 2

Phase 2. Section C. 2009 Welfare and Excise Tax Allocation Factor

- Beginning with 2008 pay 2009 the 5 welfare funds and 2 school funds were no longer funded by Property Tax.
- Allocation Factors for the Welfare Funds were calculated based on pay 2006, 2007 and 2008 fund Property Tax rates.
 - The 2006, 2007 and 2008 Welfare Fund rates were added together.
 - The 2006, 2007 and 2008 taxing district rates were added together.
 - The total of the 3-year fund rates were divided by the total of the 3-year taxing district rates to arrive at the updated Allocation Factor.



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EXCISE TAX ALLOCATION Phase 2, cont.

Phase 2. Section C. 2009 School Excise Tax Allocation Factor

- Allocation Factors for the School Funds were calculated based on pay 2006, 2007 and 2008 fund Property Tax rates.
 - The 2006, 2007 and 2008 Property Tax rates for the School Funds were added together.
 - The 2006, 2007 and 2008 taxing district rates were added together.
 - The total of the 3-year fund rates were divided by the total of the 3-year taxing district rates to arrive at the Allocation Factor.



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Excise Tax Reconciliation



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EXCISE TAX RECONCILIATION Worksheet

- The Excise Tax Reconciliation Worksheet is a required part of every County's Settlement submission.
- The worksheet is designed to reconcile the Excise Tax certified by the County Treasurer to the County Auditor's funds ledger.
 - The reconciliation ensures that the Excise Tax total is accurate.
 - Verifies all excise is being distributed to the units.
 - Ensures the starting point for the next Settlement is accurate.



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EXCISE TAX RECONCILIATION Worksheet, cont.

- Counties will complete the 10 Lines of the “Recon WKS” tab.
- The “Line Descriptions” tab provides additional instruction, context, and guidance for each of the 10 Line of the “Recon WKS” tab.



EXCISE TAX RECONCILIATION Worksheet, cont.

- The County Auditor’s cut-off date is used by the Comptroller to calculate an expected variance of Excise reported between the County Auditor & County Treasurer.

COUNTY TREASURER AND COUNTY AUDITOR EXCISE TAX RECONCILIATION AT SETTLEMENT			
Enter amounts as positive amounts.			
COUNTY	ADAMS		
SETTLEMENT	JUNE 2024	ENTER CUT-OFF DATE	5/29/24



EXCISE TAX RECONCILIATION Worksheet, cont.

Line 1. County Treasurer Certified Excise Tax

- The amount of total Excise Tax certified by the County Treasurer
- Validated by the Comptroller against the “License Excise Tax Collected” line in Column 3 of the 49TC.
- Includes all Excise types shown in the Other Sources Section of the County Treasurer’s cashbook as of the date of the County Treasurer’s certification.
- Does not include Excise Sur Tax & Wheel Tax.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 2. Plus: Excise Tax Advance Total.

- Enter the amount of Excise tax advanced to units since the last Settlement.

Line 3. Minus: Excise Tax to be Distributed at Settlement.

- The amount entered on this lines is the total of column 8 of the 49TC & the total on the Excise Tax Allocation worksheet Total Excise Tax for Distribution column.
- Entered as a positive number.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 4. Minus: Excise Tax to be Distributed to County General Fund for Reimbursement of Watercraft Excise Tax Refunds.

- If the County refunded Watercraft Excise tax to a taxpayer out of the County General Fund, the amount would be entered on this line.
- The refund amount should be deducted from applicable taxing district Excise Tax amount prior to the calculation of the allocation amount.
- Entered as a positive number.



EXCISE TAX RECONCILIATION Worksheet, cont.

Line 5. Minus: Welfare and School Excise Tax Allocations.

- This is the Remittance to State amount from the Excise Tax Allocation worksheet.
- The amount will be entered as a positive number.

Excise to Distribute after SWETA, Welfare and School Allocation	\$	955,391.05
SWETA & Welfare Excise Allocation	\$	68,559.19
School Excise Allocation	\$	370,388.49
Remittance to state	\$	438,947.68



EXCISE TAX RECONCILIATION Worksheet, cont.

Line 6. Equals Treasurer and Auditor Excise Tax Difference.

- County Treasurer certified amount, plus advances, minus the Excise distribution amount, minus Excise refunds, minus welfare and school Excise amounts.
- Line 1 + Line 2 – Line 3 – Line 4 – Line 5.
- Due to the difference in timing of reporting by the County Auditor & County Treasurer we would expect to see a difference in Line 6.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 7. Plus: State Comptroller Excise Tax Replacement Credit
Distribution included by County Auditor in Excise Tax, but not received by County Treasurer by treasurer certification date and not included in treasurer's certified amount.

- The County Auditor included the Excise Tax Replacement Credit in the Excise distribution amount, but the County Treasurer did not include the Excise Tax Replacement Credit in the certified Excise Tax collections on the 49TC.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 8. Minus: Excise Tax Received after the Auditor Cut Off Date.

- Excise tax received by the County Treasurer after the cut off date & is included the County Treasurer certified amount on the 49TC.
- The amount is entered as a positive number.
- This amount can be determined by reviewing the amounts received after the County Auditor's cut off date and the date the County Treasurer certified Excise collections.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 9. Plus: Excise Tax included by the County Auditor in Excise Tax & is Excise Tax Received within the County Auditor's Excise Tax cut off date, but not yet posted to the County Treasurer's Cashbook and not included in the Treasurer's Certified amount.

- This item is much like Step 7 but is for other types of Excise than Excise Tax Replacement Credit.
- There may not be an amount listed on Line 9.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 10. Equals: Reconciled Difference.

- This calculation is the County Treasurer & County Auditor Excise Tax difference, plus the amount of Excise Tax Replacement Credit included by County Auditor but not certified by the County Treasurer, plus the Excise Tax included by the County Auditor but not certified by the County Treasurer, less the Excise Tax Received after the County Auditor's cut off date.
- Line 6 + Line 7 + Line 8 – Line 9.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 10. Equals: Reconciled Difference.

- The Reconciled Difference amount should be \$0.00.
- If not zero, the difference should be investigated & appropriate reporting/distribution corrections made.

The amount entered on Line 8 must not be forced to make the Line 10 Reconciled Difference equal \$0.00.



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EXCISE TAX RECONCILIATION Worksheet, cont.

Line 10. Equals: Reconciled Difference.

- When a reconciled difference appears, the County may:
 - Review the worksheet data entry errors.
 - Verify each of the types of Excise Tax being distributed by the County Auditor agrees with the amounts on the County Treasurer Cashbook as of the cut off date.
 - Compare the receipts from the County Treasurer to County Auditor Excise Tax Ledger.
 - Verify the amounts recorded on the County Treasurer's Cashbook for all types of Excise after the County Auditor cut off date agrees with the distribution reports the County Auditor has received from DOR, BMV & Comptroller.



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Excise Frequently Asked Questions



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EXCISE TAX FAQ'S

Question: I didn't receive a report for Aircraft Excise Tax in July. Can you provide the report for our county?

Answer: Aircraft Excise Tax reports are originated by the Department of Revenue ("DOR"). The missing report can be requested directly from the email address: aircrafttax@dor.in.gov.



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EXCISE TAX FAQ'S

Question 2: I didn't receive a Watercraft (boat) Excise report for Watercraft Excise Tax in August 2024?

Answer: Watercraft (boat) Excise reports are generated by the BMV and should be on the BMV FTP site. To request copies of the report, please contact Tamytha Cooper at tcooper@bmv.in.gov.



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EXCISE TAX FAQ'S

Question 3: My daily report for Excise Tax Replacement Credit does not match the amount on the June 2024 BMV Summary report #1234 sent with the Excise Tax Replacement Credit distribution?

Answer: Review the report on the FTP site to ascertain if there were any changes to the specific report. If there are no changes, contact Tamytha Cooper at tcooper@bmv.in.gov.



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EXCISE TAX FAQ'S

Question 4: Our County Treasurer received an ACH for "Vehicle Sharing Excise." Is there a report somewhere with the breakdown by taxing district?

Answer: IC 6-6-16 guidance given for the collection of this tax only requires the taxpayer to provide the county in which the tax was paid, not the taxing district. The Comptroller suggests two options:

1. Distribute the funds proportionally between all taxing districts.
2. Distribute the funds to the largest taxing district.



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EXCISE TAX FAQ'S

Question 5: There is no column on the Excise Tax Allocation Worksheet for me to enter the Wheel and Sur Tax collections. Is there a reason for this?

Answer: Wheel and Sur Tax collections are not included with Property Tax and Excise Tax Settlement distributions. Based on statute, Wheel and Sur Tax follow an entirely different process to allocate the revenue to the units and are processed monthly outside of the Settlement process.



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