

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6593
BILL NUMBER: SB 208

NOTE PREPARED: Jan 29, 2008
BILL AMENDED: Jan 28, 2008

SUBJECT: Tax Payments.

FIRST AUTHOR: Sen. Tallian
FIRST SPONSOR: Rep. E. Harris

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill allows a county to authorize county taxpayers to pay property taxes by automatic deduction (AD) from a checking account. The bill provides that a county council may authorize the payment of property taxes by a monthly installment plan (MIP) (in addition to the option of authorizing payments by automatic deductions from a checking account). The bill specifies that in the case of a taxpayer that pays property taxes by automatic deductions, the payment is deducted from the taxpayer's checking account on a date chosen by the taxpayer. The bill specifies that if a taxpayer makes automatic monthly deductions or monthly installments of property taxes in the amount determined by the county treasurer, the taxpayer's property tax payments shall not be considered delinquent and the taxpayer is not subject to penalties.

Effective Date: July 1, 2008.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Treasurer Responsibilities-* County treasurers would be given authority to produce a form for taxpayers to sign-up for either an AD or MIP. Costs would include printing of forms and notices and bulk postage fees, which would vary by county. However, use of an AD could reduce the amount of administrative time necessary for the county auditor and treasurer to process property tax payments made by check.

Treasurers would also determine the per-month amounts to be paid by all parcel owners electing to pay

property taxes by AD or by MIP. To taxpayers that elect to pay by AD or MIP, the county treasurer would be required to mail an end-of-year reconciling statement. If the payments either by AD or MIP exceeds a taxpayer's total liability (including penalties), the county treasurer would refund the amount overpaid to the taxpayer or roll over the overpayment as credit against the taxpayer's liability in the following calendar year.

Explanation of Local Revenues: *Auditor Responsibilities-* County auditors would also have the responsibility to distribute property taxes collected by AD or MIP to the designated taxing units by the semiannual settlements required by current law (IC 6-1.1-27).

(Revised) *Penalties for Delinquent Payment via Automatic Deduction-* In certain circumstances if a taxpayer's payments are less than that determined by the county treasurer then the penalties under current law (IC 6-1.1-37-10) would apply.

State Agencies Affected:

Local Agencies Affected: County fiscal bodies, county auditor, county treasurer.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.