



AUDITOR OF STATE

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To: County Auditors

From: Fred Van Dorp - Settlement Director

Date: October 25, 2016

Subject: SEPT 2016 Excise Tax Cut Distribution

Earlier today, AOS processed the Excise tax cut distribution. The distribution will be deposited into your county's designated bank account prior to October 27, 2016. The SEPT 2016 distribution is 61.762753% of the lottery credit amounts on reports 3222 - 3251. Along with this memo, you will find the two documents described below.

- File Name: ExciseTaxCut 2016 09.xlsx
 - This is provided by BMV to show the daily tax cut amount reports listed above. If the lottery credit amounts on the file do not agree with the lottery credit amounts reported to you by the BMV, please contact Tamytha Cooper at tcooper@bm.v.in.gov.
- File Name: 0916.xlsx
 - The file contains the total tax cut from the file above, the amount to be distributed this month, and the percent reduction for the month.

This excise tax cut replacement is based on the total of the lottery credit amount reported by the BMV. Each excise tax cut replacement distribution equals the lesser of the lottery credit reported by the BMV, or the amount appropriated in IC 6-6-5-9.5 and IC 4-30-17-3.5. If the amount appropriated is the lesser amount, then we will report to you the percentage of the lottery credit that is replaced. If the lottery credit is the lesser amount, then we will report to you that the replacement percentage is 100%. With the excise tax cut replacement distribution we identify the transaction month for the lottery credit amount.

Excise tax cut replacement distributions should be accounted for in the same manner as excise tax received from the BMV. To post the excise tax cut replacement distributions to the excise ledger you will need to first post the total lottery credit to the ledger. The lottery credit should be posted to the excise tax ledger from the BMV reports. The lottery credit is to be posted in the lottery column of the excise tax ledger. AOS recommends that you use the transaction date as your posting reference for both the excise tax and the lottery credit. You should total the lottery credit amounts posted to each taxing district, and verify that the total posted to the excise tax ledger agrees with the lottery credit amount reported on the worksheet that we included with this excise tax cut replacement distribution. The last BMV report you should include in the monthly total is the report that coincides with the last transaction date of the month. To allocate the excise tax cut replacement distribution multiply each taxing district's monthly lottery credit total times the percentage of the total lottery credit (see above).

In your excise tax ledger or on a separate worksheet AOS recommends that you keep an accounting of, by taxing district, the total lottery credit, and the amount of the lottery credit that is replaced each month. You will need to know this information. In January 2017, AOS will process the December excise tax cut replacement distribution. You will need to know by taxing district the total lottery credit amount for the calendar year and the amount replaced for January through November in order to allocate the December excise tax cut replacement.

If you have any questions concerning the excise tax distributions you can contact the Auditor's Office Settlements Department using the email address Settlements@auditor.in.gov.