



AUDITOR OF STATE

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To: County Auditors

From: Courtney Everett
Deputy Auditor of State

Date: January 31, 2017

Subject: December 2016 Excise Tax Cut Distribution

After business hours today, January 31, 2017, we will process your county's share of the December 2016 excise tax cut replacement distribution. In the same email as this memorandum is a worksheet with the calculations of each county's share. Also included is a worksheet from the BMV listing the lottery credit amounts associated with the December transactions reported on reports 3313 through 3343.

The method we used to calculate the December 2016 excise tax cut replacement distribution was as follows:

In Step One of our calculation we determined the percentage of the total 2016 excise tax cut that can be replaced.

The percentage was determined by dividing the total amount appropriated to replace 2016 excise tax cuts by the total 2016 excise tax cut amount. \$236,416,128 divided by \$ 385,482,363.47 is 0.613299, or 61.3299%.

The total amount appropriated to replace 2016 excise tax cuts was \$19,701,344 per month. The \$19,701,344 times 12 equals the total amount appropriated \$236,416,128.

According to BMV reports submitted to the Auditor of State's office, the 2016 excise tax cut total was \$385,482,363.47 for January 2016 through December 2016. The total excise tax cut amounts are shown in the "CALENDAR YEAR 2016 TOTAL EXCISE CUT BMV REPORT" column of our worksheet.

In Step Two of our calculation we determined the total 2016 excise tax cut replacement amount for each county by multiplying each county's 2016 excise tax cut total from step one times the percentage from step one. This is the amount in column two of our worksheet.

In Step Three of our calculation we determined the total of the January 2016 through November 2016 excise tax cut replacement distributions that were sent to counties in February 2016 through December 2016. This is the amount in column three of our worksheet.

In the Final Step of our calculation we determined each county's share of the December distribution by subtracting the amount determined in step three from the amount determined in step two. This is the amount in column four of our worksheet.

You will need to allocate the enclosed distribution to each taxing district. To allocate this distribution follow steps similar to the steps we used to determine each county's share.

Please use the following instructions to create a worksheet to use to allocate to each taxing district this December 2016 excise tax cut distribution:

In column one list your county's taxing districts.

In column two enter each taxing district's total 2016 excise tax cut amount. If throughout the year you have followed our monthly instructions, then you will get the amount for this column by totaling the January 2016 through December 2016 excise tax cut amounts from either your excise tax ledger, or worksheet. (You will get the December 2016 excise tax cut amounts from the BMV report that accompanies this memorandum.) If you have not followed our monthly instructions, then you will get the amount for this column by totaling the excise tax cut amounts from the BMV January 2016 through December 2016 excise tax reports. The total of this column **must** agree with your county's amount that is in column one of our worksheet.

In column three enter 0.613299.

In column four enter an amount equal to column two times column three. The total of this column **must** equal your county's amount that is in column two of our worksheet. Due to rounding you may need to adjust one of your taxing district amounts to get the total of this column to equal the amount in column two of our worksheet. The adjustment should only be a few cents. If it is more than a few cents, then you need to re-check your calculations in column four and the amount in column two of your worksheet.

In column five enter each taxing district's allocation of the excise tax cut replacement distributions that were sent to your county in the months of February 2016 through December 2016 for the months of January 2016 through November 2016. If throughout the year you have followed our monthly instructions, then you will get the amount for this column by totaling the January 2016 through November 2016 excise tax cut allocations from either your excise tax ledger, or worksheet. The total of this column **must** equal your county's amount that is in column three of our worksheet.

In column six enter the difference between column four and column five. In other words subtract column five from column four to get column six. Column six is each taxing district's allocation of the December 2016 excise tax cut replacement distribution. The total of this column **must** equal your county's amount that is in column four of our worksheet.

Post the column six amount of your worksheet to the excise tax ledger.

If you have any questions concerning this distribution, please let us know.