

# AIM

## RESOURCE GUIDE TO THE MUNICIPAL UNIT STRATEGIC TASKFORCE (MUST) PROCESS

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# Introduction

Welcome to this Aim Resource Guide to the Municipal Unit Strategic Taskforce (MUST) created in HEA 1210 during the 2026 session of the Indiana General Assembly. MUST is a framework for county-wide LIT collaboration and planning. If a county chooses to convene a MUST, the taskforce shall include at least one member of the county council and the fiscal officers from each participating city and town (though other municipal officials may attend). The outcomes of a MUST are not binding but can be used to guide LIT planning and MUST experiences will inform the General Assembly about how the state's new local government funding system could be adjusted to meet the needs of all local units. If a MUST produces an agreed upon, yet non-binding path for countywide LIT rate allocation, a report should be filed with the Department of Local Government Finance (DLGF) by the county council no later than October 1, 2026.

This guide will provide statutory information, a potential checklist to help you organize your MUST participation, an example of four scenarios Aim built to provide LIT estimations and ideas for presenting your data, a final report template, and other helpful resources. To assist you, Aim recommends making a digital copy of HEA 1210 (the MUST statute can be found on page 139) and **Appendix A: Aim HEA 1210 Summary of Local Income Tax (LIT) Changes** readily accessible before you dive into this booklet. Keeping the statute available will allow you to quickly access exact language and code cites and the summary document offers a brief but important LIT specific breakdown of the statute.

As you begin examining the MUST process and your LIT rate allocation estimates, this guide is intended to provide direction and support for municipal officials and will not encompass the micro-level specifics each Hoosier city and town will need. There will be extenuating circumstances that require each local unit to adapt their approach to MUST in a manner that takes these specifics into account.

The steps outlined in the following pages represent important phases of a MUST. Among these steps are two critical action items that we believe deserve your utmost attention.

1. **Data gathering and estimating impacts** under various LIT rate allocation scenarios. Communities with financial advisors assisting in data gathering may be further along in reviewing potential fiscal impacts under multiple scenarios. Whether this is in process or you require Aim assistance, this guide provides a demo of the various estimations Aim believes all communities should prepare.

2. Ensure at least **one report per county on behalf of all municipalities is completed** highlighting the MUST information, discussion, outcomes, or lack thereof. The municipal MUST report should be completed prior to October 1 to align with the statutory requirements for the county council to submit agreements to the DLGF. While the County Council that chooses to convene a MUST is responsible for submitting a report to the DLGF if the MUST outcome is one of agreement, municipalities are not precluded from documenting and reporting their experiences and conclusions. Aim has provided a MUST report template as part of this guide and requests at least one municipality in each county submit a report to Aim. Regardless if an agreement is reached, details on discussions and updates on how the new LIT framework impacts your specific community will be critical for Aim to understand and share with lawmakers.

The Aim legislative, policy, and field services teams are available to help every city and town with preparation and execution assistance - from understanding MUST, to assisting with revenue impacts and estimates, to creating a report that helps Aim communicate with lawmakers and other stakeholders the outcomes of LIT discussions all across the state. This guide closes with the contact information for our team and the items on which they can provide assistance.

Finally, as you prepare for these important discussions and Aim gears up to hit the road to attend as many as possible, our team will continue our work with lawmakers on the amendments to 2025's SEA 1 and HEA 1210 from 2026 that make it more workable and equitable for cities and towns of all sizes. Our advocacy work will not cease or slow down. While the MUST statute and other collaborative LIT meetings could dominate our communications as Aim endeavors to provide resources to our members, we are equally hard at work meeting with legislators and stakeholders on the funding crisis facing municipalities if state and local lawmakers cannot work as partners to do what's necessary for the 70% of Hoosiers who live in a city or town.

# Step by Step MUST Preparation and Reporting

## STEP 1 – Understanding HEA 1210 Pertaining to LIT

Before beginning the MUST preparation process, municipal officials are encouraged to review **Appendix A: HEA 1210 – 2026 Summary of Local Income Tax (LIT) Changes**. Officials should also download and keep readily accessible a complete copy of HEA 1210 for reference throughout the process.

These materials provide the legal and policy foundation necessary to understand the changes to the LIT structure, the role of counties and municipalities, the purpose of the Municipal Unit Strategic Taskforce, and the importance of local participation. Because HEA 1210 creates a new framework for how local income tax revenues may be discussed, allocated, and reported, municipal leaders should make sure they understand both the technical requirements and the practical implications for their community.

This first step should not be treated as a simple document review. It should be used as the starting point for internal conversations among elected officials, fiscal officers, department heads, attorneys, and other relevant municipal staff. The goal is to ensure that everyone involved has a shared understanding of the law, the timeline, the data that may be needed, and the potential impact on municipal services and long-term planning.

## STEP 2 – Create a Specific Local Checklist

Whether you are a one-person operation or have a large team of municipal experts, it is important to create a list of due diligence items early in the process. **Appendix B: General MUST Preparation Checklist is intended to serve as a starting point.**

No two municipalities or counties are exactly alike. Each community will have its own revenue structure, service obligations, debt commitments, capital needs, staffing concerns, and public expectations. For that reason, each city or town should adapt the general checklist into a specific local work plan that reflects its own circumstances.

A strong checklist should identify the information that needs to be collected, who is responsible for collecting it, when it must be completed, and how the information will be reviewed before being used in a MUST discussion or related local income tax conversation. The checklist should also include deadlines for assembling estimates, reviewing fiscal assumptions, preparing key messages, documenting communications, and determining whether legal or public notice questions need to be addressed.

Creating this checklist early will help ensure that critical steps are not missed, that municipal officials are prepared to participate meaningfully, and that the community's fiscal needs are communicated clearly and credibly.

## STEP 3 – Confirm Whether a MUST Will Be Convened

This guide contemplates that your county plans to convene a MUST. If that has not been confirmed, municipal officials should reach out to the County Council as soon as possible to determine whether a MUST will be convened, when it may occur, who will be invited, and how the process will be structured.

If the County Council confirms that it will convene a MUST, municipal officials should begin preparing immediately by gathering data, reviewing estimates, coordinating with other municipalities, and identifying the key issues that should be discussed.

If the County Council confirms that it will NOT convene a MUST, or if the county does not provide clear information about the MUST within a reasonable timeframe, municipal officials should consider hosting a collaborative local LIT discussion among cities, towns, and county officials. In that situation, officials should review the companion guide to this document, the **Aim Collaborative LIT Discussions Resource Guide**, which is intended to assist municipal and county leaders in coming together to discuss local fiscal needs and potential LIT rate allocations even outside of a formally convened MUST.

Regardless of whether a formal MUST is convened, cities and towns should document all outreach, communications, meeting invitations, meeting dates, participants, and major discussion points. This information will be important for local records, for preparing or including in a municipal report, and for helping Aim understand how the process unfolded across Indiana.

## STEP 4 – Assemble Data, Estimates, and Local Context

Municipal officials should begin assembling relevant data and information as soon as possible. Aim is prepared to assist cities and towns with data gathering and LIT estimations as part of this critical step.

Aim’s policy team has developed a fiscal model that can assist communities with LIT estimates until the Indiana Department of Revenue has the capability to provide proper unit-by-unit income tax data. To view a sample of the information Aim can provide through modeling multiple fiscal scenarios, see **Appendix C: Aim LIT Estimation Model**.

In addition to LIT estimates, each community should assemble a comprehensive set of facts, figures, and documents necessary to explain its fiscal position. This may include current certified LIT distributions, the percentage of the municipal budget supported by LIT, recent revenue trends, debt service obligations, planned capital projects, public safety costs, infrastructure needs, staffing pressures, and other major expenditure drivers. Municipal leaders should be able to explain what the numbers mean, how different LIT allocation scenarios could affect local services, and why certain revenue levels may be necessary to maintain public safety, infrastructure, economic development, quality of place, and basic municipal operations.

Once the recommended information has been assembled, municipal officials should become conversant in the data. Each attendee should have significant knowledge of the city or town’s financial picture, as well as a general understanding of the needs and estimates of other units in the county. This advance preparation will allow municipal representatives to be active, positive, credible, and constructive participants in the discussion. Cities and towns are encouraged to contact Aim for assistance before attending a county-called MUST or related collaborative discussion. Aim can help walk through local circumstances, review estimates, discuss planned approaches, identify potential concerns, and provide guidance on timing, messaging, reporting, and related process questions.

## STEP 5 – Participate, Evaluate Outcomes, and Report

Municipal officials should participate in a MUST in good faith, with a sincere commitment to professionalism, cooperation, and constructive dialogue. At the same time, it is important to remember that a MUST and its outcomes are non-binding. If municipal representative believes a proposed rate allocation will be inadequate for the city or town’s needs, support is not required or recommended.

During the discussion, municipal officials should focus on clearly explaining their community’s fiscal needs, the services supported by LIT revenue, the consequences of insufficient revenue, and the broader benefits that strong municipalities provide to the county and region. Cities and towns should also listen carefully to the needs of other units and look for areas of agreement where possible.

At the conclusion of MUST discussions, Aim recommends that one municipality per county complete a joint municipal report, a template for which is provided as **Appendix D: Municipal Report on 2026 MUST Discussions**, and submit it to Aim. If an individual city or town prefers to submit its own report in addition to a joint municipal submission, Aim welcomes any and all information.

These municipally generated MUST reports will provide a balanced perspective regarding the spirit in which the discussions were held, the productive nature of the conversations, areas of agreement and cooperation, and any areas of concern or disagreement. Regardless of the outcome, this information will assist Aim in providing lawmakers and stakeholders with both statistical and anecdotal information from the perspective of Indiana’s cities and towns.

This perspective is especially important given that more than 70% of Hoosiers live in a city or town. While our state’s 92 counties serve a vital role, Indiana’s cities and towns represent the economic, population, infrastructure, and quality-of-place heartbeat of our state. Capturing the municipal perspective will help ensure that future legislative conversations reflect the real-world impact of LIT decisions on communities.

During any of the above steps, Aim is prepared to walk beside municipalities with data, suggestions for gathering additional information, guidance relative to timing, reporting, and any other aspect of MUST preparation or participation. Contact information for assistance is provided in **Appendix E: Aim Legislative, Field Services, and Communications Contact Information**.

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# Appendix A

## HEA 1210 – 2026: Summary of Local Income Tax (LIT) Changes

### County-Wide Rate

- HEA 1210 removes the 7,000-population cap for which cities and towns can opt into a county-wide LIT rate. The county council is still responsible for setting the rate.
- All cities and towns are now eligible to opt into the county-wide municipal services rate instead of adopting their own LIT rate of up to 1.2% on only the citizens within municipal boundaries. If municipal adoption is implemented by communities above 3,500 in population, the countywide municipal services rate will not also be imposed on citizens within the municipality.
- Though that rate is controlled by the county council, it works on a wider tax base that can produce more revenue if the county council agrees to set the rate at a sufficient level.
- Under the existing framework, cities and towns with a population below 3,500 receive a distribution from the countywide LIT and cannot adopt their own municipal rate.
- The distribution of a countywide rate will now be distributed by the following formula:
  - Add the population of all participating cities and towns and the unincorporated area of the county.
  - Each city and town will receive 1.5% of their population divided by the population of all the participating cities and towns and the unincorporated areas.

### Delayed Implementation

- HEA 1210 delays the implementation of the new LIT system to 2029.
- This means LIT rates will be adopted in 2028 and effective in 2029.
- Eligible cities and towns will no longer be required to make the first adoption in 2027.
- Delaying implementation also gives the state more time to produce authoritative tax base data and gives the General Assembly more time to adjust the LIT rates to meet the needs of all units in Indiana.
- The first time each LIT rate is adopted, it will be effective for three years with annual adoption thereafter.

### Fire/EMS Rate

- Units eligible for the Fire/EMS LIT rate distribution will now certify their service territory and population to the county council for the purposes of distributing this rate, providing more flexibility to work with the county council on what constitutes service territory.
- This new provision is applicable to all cities and towns with fire departments or EMS service as well as to Fire Protection Territories for which the city serves as a provider unit.
- The previous formula of 50% population and 50% service territory multiplied by 20 no longer applies. Now, the county council must still consider both service territory size and population but may choose how much weight is given to each category.

### Municipal Unit Strategic Taskforce (MUST)

- HEA 1210 creates a MUST framework for county-wide LIT collaboration and planning.
- Per statute, a MUST shall include at least one member of the county council and the fiscal officers from each participating city and town (though other municipal officials may attend).
- MUST discussions can serve as a way for municipalities to advocate for their needs and evaluate potential options with leaders from around the county.
- The outcomes of a MUST are not binding but can be used to guide LIT planning and recommendations to the General Assembly about how the statute needs to be adjusted to meet each county's needs.
- If a MUST produces an agreed upon framework for countywide LIT rate allocation, a report should be filed with the Department of Local Government Finance (DLGF) no later than October 1, 2026.

# Appendix A: Charts

## SEA 1 - 2025 Structure (This was amended during the 2026 legislative session)

	County Services	Fire/EMS	Non-Municipal Units	Municipal Services (under 3,500 up to 7,000 population)	Municipal Services
(over 3,500 population)					
Maximum Rate	1.2%	0.4%	0.2% (max 0.05% per unit type)	1.2% (up to 75% can be allocated to county services if the county services rate is at its max)	1.2%
Adopting Body	County Council	County Council	County Council	County Council	City/Town Council
Distribution Method	Directly to county	50% weighted by population 50% weighted by 20 x service area to all units that provide fire protection (municipalities, fire territories, fire districts, township fire departments (optional))	Distributed by population of the unit divided by the population of all units in the county of that type.	Distributed by population of the municipality divided by the population of all municipalities in the county-wide rate	Directly to municipality
Tax Base	Entire County	Entire County	Entire County	Entire County except for the municipalities that have adopted their own tax rate	Incorporated boundaries of the municipality

# Appendix A: Charts

## HEA 1210 - 2026 Structure

	County Services	Fire/EMS	Non-Municipal Units	Municipal Services (under 3,500 and any municipality that chooses to opt in)	Municipal Services
(over 3,500 population)					
Maximum Rate	1.2%	0.4%	0.2%	1.2%	1.2%
Adopting Body	County Council	County Council	County Council	County Council	City/Town Council
Distribution Method	Directly to county	<b>Weighted between service territory and population as determined by county council to all units that provide fire protection (municipalities, fire territories, fire districts, township fire departments (optional))</b>	Distributed by population of the unit divided by the population of all units in the county of that type.	<b>Distributed to each eligible city and town at a rate of 1.5 times the population share of the city or town (remainder is distributed to the county government).</b>	Directly to municipality
Tax Base	Entire County	Entire County	Entire County	Entire County except for the municipalities that have adopted their own tax rate	Incorporated boundaries of the municipality

## Appendix B

# General MUST Preparation Checklist for Cities and Towns

This checklist is intended to serve as a general guide for cities and towns preparing for a MUST. Municipal leaders should adapt this checklist to reflect their own local circumstances, county process, internal staffing, timeline, and other resources.

### General Preparation

- Review **Appendix A: HEA 1210 – 2026 Summary of Local Income Tax Changes**.
- Download and retain a complete copy of HEA 1210 for reference.
- Identify the municipal officials, staff, advisors, and legal counsel who should be involved in MUST preparation.
- Create an internal timeline for gathering data, reviewing estimates, preparing materials, and meeting any applicable deadlines.

### County and Municipal Coordination

- Communicate with the County Council to determine whether a MUST will be convened.
- Request information about the expected timeline, meeting format, agenda, location, participants, and reporting process.
- Document outreach to the county and retain copies of emails, letters, notices, meeting invitations, agendas, and related communications.
- Communicate with other cities and towns in the county to encourage coordination and shared preparation.
- Determine whether municipalities in the county should meet before any formal MUST discussion.
- If a formal MUST is expected but not called, begin steps for a collaborative local discussion among municipal and county officials.

### Data and Estimate Preparation

- Review how different LIT allocation scenarios could affect municipal operations, services, reserves, debt obligations, and long-term planning.
- If the city or town does not have a financial advisor preparing estimates, contact Aim regarding available LIT estimates and modeling assistance.
- Determine the percentage of the municipal budget currently supported by LIT.
- Review recent trends in LIT distributions over time.
- Gather information on other major municipal revenue sources.
- Prepare an overview of major expenditure categories, such as public safety, infrastructure, utilities, administration, parks, and other services.
- Identify outstanding debt service obligations.
- Separate debt service obligations by source of repayment where applicable.
- Identify upcoming debt issuances, planned capital projects, or major infrastructure needs.
- Gather information on staffing needs, service demands, and other operational pressures.

### Local Fiscal Message Development

- Identify the key points the city or town needs others to understand about its fiscal position.
- Explain how LIT revenue supports essential services.
- Describe how municipal services benefit not only city or town residents, but also the county and region.

- Identify the risks of an inadequate LIT allocation.
- Determine which potential LIT rate allocation scenarios would be workable.
- Determine which potential LIT rate allocation scenarios would create serious service, budget, or planning challenges.
- Prepare clear examples that connect revenue needs to real municipal services, projects, or obligations.
- Make sure all municipal representatives are familiar with the data, estimates, and key messages before participating in a meeting.

## Process and Meeting Review

- Consult with the city or town attorney regarding any meeting notice, public meeting, or documentation questions.
- Review any proposed agenda in advance.
- Provide feedback to the organizer if important topics or participants appear to be missing.
- Confirm who will attend on behalf of the municipality.
- Prepare questions for county officials or other participants.
- Bring copies of relevant estimates, financial summaries, notes, and supporting materials.
- Take detailed notes during any meeting or discussion.

## Participation in Discussions

- Participate professionally and in good faith.
- Clearly explain the city or town's revenue needs and fiscal concerns.
- Listen to the needs and concerns of other units.
- Identify areas of agreement or shared concern.
- Ask for clarification when assumptions, estimates, or proposed allocations are unclear.
- If additional meetings would be helpful, request that they be scheduled.
- Remember that MUST outcomes are non-binding.
- Do not agree to a rate allocation that your municipal advisors, fiscal officers, or other colleagues believe would be inadequate or harmful to the city or town.

## Review of Outcomes and Documentation

- Review any proposed rate allocation scenario carefully.
- Compare the proposed outcome to the city or town's estimates, needs, obligations, and service expectations.
- Review any written report, summary, or documentation for accuracy before it is submitted.
- Consult with the city or town attorney before making any formal commitment or signing any documentation.
- Document any concerns, disagreements, or unresolved issues.
- Retain all notes, estimates, meeting materials, communications, and drafts.

## Municipal Reporting to Aim

- Work with other municipal leaders in the county to complete **Appendix D: Municipal Report on 2026 MUST Discussions**.
- If a joint municipal report is not practical, consider submitting an individual city or town report.
- Submit the completed report to Aim.
- Contact Aim with questions about reporting, estimates, timing, process, or follow-up needs.

## Appendix C

### Aim LIT Estimations by Scenario

The following pages include representations of the LIT estimations and scenarios Aim can provide to all communities. Aim's modeling and estimations should not be considered as recommendations or a replacement for the independent legal and local financial information all cities and towns should use for decision-making on these matters. The information provided in this Appendix represents the LIT scenarios we believe municipal leaders should consider when making decisions about their estimated LIT rate necessary to operate until the State Department of Revenue is able to provide accurate unit by unit estimates.

The data on the following pages is based on a fictional county, but mirrors data from real Indiana counties.

In addition to the estimated scenarios, below is a list of financial information and supporting data all communities should gather in advance of a MUST.

- Current LIT certified distribution amounts
- Share of total budget funded by LIT
- Trends in LIT distributions over time
- Outstanding debt service obligations
  - o Separated by source of repayment
- Upcoming debt issuances or planned capital projects
- Overview of expenditures
  - o % of budget allocated for public safety, infrastructure, etc.

## Single Countywide Rate

	Population	AGI	Current LIT Revenue	LIT Rate	Revenue Estimate	Add'l. Revenue	Revenue Change	% Change
Matthews County	40,000	\$1,000,000,000.00	\$11,000,000.00	1.1%	\$11,000,000.00	\$-	\$-	0%
Davis	20,000		\$8,000,000.00		\$8,000,000.00		\$-	0%
Krieg's Creek	3,200		\$567,000.00		\$1,280,000.00		\$713,000.00	126%
Cunningham	800		\$110,000.00		\$320,000.00		\$210,000.00	191%
Kneppersberg	450		\$90,000.00		\$180,000.00		\$90,000.00	100%
Hayden's Hunt	890		\$112,000.00		\$356,000.00		\$244,000.00	218%
McCuaigsville	1,000		\$200,000.00		\$400,000.00		\$200,000.00	100%
Mossy Mill	12		\$1,000.00		\$4,800.00		\$3,800.00	380%
Lyle	2,400		\$367,000.00		\$960,000.00		\$593,000.00	162%
Bertsville	200		\$40,000.00		\$80,000.00		\$40,000.00	100%
Ernie City	130		\$30,000.00		\$52,000.00		\$22,000.00	73%
County-Wide Rate	40,000	\$1,000,000,000.00		1.16%	\$11,632,800.00			
Municipal Population	29,082							
Townships			\$600,000.00	0.05%	\$500,000.00		\$(100,000.00)	-17%
Libraries			\$667,000.00	0.05%	\$500,000.00		\$(167,000.00)	-25%
Fire/EMS			\$100,000.00	0.01%	\$100,000.00			

## Single Municipal Rates with Property Tax Loss

	Population	AGI	Current LIT Revenue	Property Tax Loss	Total	LIT Rate	Revenue Estimate	Add'l. Revenue	Revenue Change	% Change
Matthews County	40,000	\$1,000,000,000.00	\$11,000,000.00	\$(550,000.00)	\$11,550,000.00	1.2%	\$11,550,000.00	\$-	\$-	0%
Davis	20,000		\$8,000,000.00	\$(400,000.00)	\$8,400,000.00		\$8,252,527.34		\$(147,472.66)	-2%
Krieg's Creek	3,200		\$567,000.00	\$(28,350.00)	\$595,350.00		\$1,320,404.37		\$725,054.37	122%
Cunningham	800		\$110,000.00	\$(5,500.00)	\$115,500.00		\$330,101.09		\$214,601.09	186%
Kneppersberg	450		\$90,000.00	\$(4,500.00)	\$94,500.00		\$185,681.87		\$91,181.87	96%
Hayden's Hunt	890		\$112,000.00	\$(5,600.00)	\$117,600.00		\$367,237.47		\$249,637.47	212%
McCuaigsville	1,000		\$200,000.00	\$(10,000.00)	\$210,000.00		\$412,626.37		\$202,626.37	96%
Mossy Mill	12		\$1,000.00	\$(50.00)	\$1,050.00		\$4,951.52		\$3,901.52	372%
Lyle	2,400		\$367,000.00	\$(18,350.00)	\$385,350.00		\$990,303.28		\$604,953.28	157%
Bertsville	200		\$40,000.00	\$(2,000.00)	\$42,000.00		\$82,525.27		\$40,525.27	96%
Ernie City	130		\$30,000.00	\$(1,500.00)	\$31,500.00		\$53,641.43		\$22,141.43	70%
				\$-						
County-Wide Rate	40,000	\$1,000,000,000.00		\$-		1.20%	\$12,000,000.00			
Municipal Population	29,082			\$-						
Townships			\$600,000.00	\$(30,000.00)	\$630,000.00	0.05%	\$500,000.00		\$(130,000.00)	-21%
Libraries			\$667,000.00	\$(33,350.00)	\$700,350.00	0.05%	\$500,000.00		\$(200,350.00)	-29%
Fire/EMS					\$277,472.66	0.03%	\$277,472.66			

## Separate Municipal Rate

	Population	AGI	Current LIT Revenue	LIT Rate	Revenue Estimate	Add'l. Revenue	Revenue Change	% Change
Matthews County	40,000	\$1,000,000,000.00	\$11,000,000.00	1.0%	\$10,018,923.08	\$981,076.92	\$-	0%
Davis	20,000	\$480,000,000.00	\$8,000,000.00	1.2%	\$5,760,000.00		\$(2,240,000.00)	-28%
Krieg's Creek	3200		\$567,000.00		\$738,461.54		\$171,461.54	30%
Cunningham	800		\$110,000.00		\$184,615.38		\$74,615.38	68%
Kneppersberg	450		\$90,000.00		\$103,846.15		\$13,846.15	15%
Hayden's Hunt	890		\$112,000.00		\$205,384.62		\$93,384.62	83%
McCuaigsville	1000		\$200,000.00		\$230,769.23		\$30,769.23	15%
Mossy Mill	12		\$1,000.00		\$2,769.23		\$1,769.23	177%
Lyle	2400		\$367,000.00		\$553,846.15		\$186,846.15	51%
Bertsville	200		\$40,000.00		\$46,153.85		\$6,153.85	15%
Ernie City	130		\$30,000.00		\$30,000.00		\$-	0%
County-Wide Rate	20,000	\$520,000,000.00		0.59%	\$2,095,846.15			
Municipal Population	9082							
Townships			\$600,000.00	0.05%	\$500,000.00		\$(100,000.00)	-17%
Libraries			\$667,000.00	0.05%	\$500,000.00		\$(167,000.00)	-25%
Fire/EMS			\$2,340,000.00	0.23%	\$2,340,000.00			

## 15 Separate Municipal Rates with Property Tax Loss

	Population	AGI	Current LIT Revenue	Property Tax Loss	Total	LIT Rate	Revenue Estimate	Add'l. Revenue	Revenue Change	% Change
Matthews County	40,000	\$1,000,000,000.00	\$11,000,000.00	\$(550,000.00)	\$11,550,000.00	1.1%	\$10,519,869.23	\$1,030,130.77	\$-	0%
Davis	20000	\$480,000,000.00	\$8,000,000.00	\$(400,000.00)	\$8,400,000.00	1.2%	\$5,760,000.00		\$(2,640,000.00)	-31%
Krieg's Creek	3200		\$567,000.00	\$(28,350.00)	\$595,350.00		\$775,384.62		\$180,034.62	30%
Cunningham	800		\$110,000.00	\$(5,500.00)	\$115,500.00		\$193,846.15		\$78,346.15	68%
Kneppersberg	450		\$90,000.00	\$(4,500.00)	\$94,500.00		\$109,038.46		\$14,538.46	15%
Hayden's Hunt	890		\$112,000.00	\$(5,600.00)	\$117,600.00		\$215,653.85		\$98,053.85	83%
McCuaigsville	1000		\$200,000.00	\$(10,000.00)	\$210,000.00		\$242,307.69		\$32,307.69	15%
Mossy Mill	12		\$1,000.00	\$(50.00)	\$1,050.00		\$2,907.69		\$1,857.69	177%
Lyle	2400		\$367,000.00	\$(18,350.00)	\$385,350.00		\$581,538.46		\$196,188.46	51%
Bertsville	200		\$40,000.00	\$(2,000.00)	\$42,000.00		\$48,461.54		\$6,461.54	15%
Ernie City	130		\$30,000.00	\$(1,500.00)	\$31,500.00		\$31,500.00		\$-	0%
				\$-						
County-Wide Rate	20,000	\$520,000,000.00		\$-		0.62%	\$2,200,638.46			
Municipal Population	9082			\$-						
Townships			\$600,000.00	\$(30,000.00)	\$630,000.00	0.05%	\$500,000.00		\$(130,000.00)	-21%
Libraries			\$667,000.00	\$(33,350.00)	\$700,350.00	0.05%	\$500,000.00		\$(200,350.00)	-29%
Fire/EMS					\$2,770,000.00	0.28%	\$2,770,000.00			

## Custom Rate

	Population	AGI	Current LIT Revenue	LIT Rate	Revenue Estimate	Add'l. Revenue	Revenue Change	% Change
<b>Matthews County</b>	40,000	\$1,000,000,000.00	\$11,000,000.00	1.1%	\$11,000,000.00	\$-	\$-	0%
<b>Davis</b>	20,000		\$8,000,000.00	0.8%	\$8,000,000.00		\$-	0%
<b>Krieg's Creek</b>	3,200		\$567,000.00	0.1%	\$567,000.00		\$-	0%
<b>Cunningham</b>	800		\$110,000.00	0.0%	\$110,000.00		\$-	0%
<b>Kneppersberg</b>	450		\$90,000.00	0.0%	\$90,000.00		\$-	0%
<b>Hayden's Hunt</b>	890		\$112,000.00	0.0%	\$112,000.00		\$-	0%
<b>McCuaigsville</b>	1,000		\$200,000.00	0.0%	\$200,000.00		\$-	0%
<b>Mossy Mill</b>	12		\$1,000.00	0.0%	\$1,000.00		\$-	0%
<b>Lyle</b>	2,400		\$367,000.00	0.0%	\$367,000.00		\$-	0%
<b>Bertsville</b>	200		\$40,000.00	0.0%	\$40,000.00		\$-	0%
<b>Ernie City</b>	130		\$30,000.00	0.0%	\$30,000.00		\$-	0%
<b>County-Wide Rate</b>	40,000	\$1,000,000,000.00						
<b>Municipal Population</b>	29,082							
<b>Townships</b>			\$600,000.00	0.1%	\$600,000.00		\$-	0%
<b>Libraries</b>			\$667,000.00	0.1%	\$667,000.00		\$-	0%
<b>Fire/EMS</b>			\$-	0.00%	\$-			

## Custom Rate with Property Tax Loss

	Population	AGI	Current LIT Revenue	Property Tax Loss	Total	LIT Rate	Revenue Estimate	Add'l. Revenue	Revenue Change	% Change
Matthews County	40,000	\$1,000,000,000.00	\$11,000,000.00	\$(550,000.00)	\$11,550,000.00	1.2%	\$11,550,000.00	\$-	\$-	0%
Davis	20000		\$8,000,000.00	\$(400,000.00)	\$8,400,000.00	0.8%	\$8,400,000.00		\$-	0%
Krieg's Creek	3200		\$567,000.00	\$(28,350.00)	\$595,350.00	0.1%	\$595,350.00		\$-	0%
Cunningham	800		\$110,000.00	\$(5,500.00)	\$115,500.00	0.0%	\$115,500.00		\$-	0%
Kneppersberg	450		\$90,000.00	\$(4,500.00)	\$94,500.00	0.0%	\$94,500.00		\$-	0%
Hayden's Hunt	890		\$112,000.00	\$(5,600.00)	\$117,600.00	0.0%	\$117,600.00		\$-	0%
McCuaigsville	1000		\$200,000.00	\$(10,000.00)	\$210,000.00	0.0%	\$210,000.00		\$-	0%
Mossy Mill	12		\$1,000.00	\$(50.00)	\$1,050.00	0.0%	\$1,050.00		\$-	0%
Lyle	2400		\$367,000.00	\$(18,350.00)	\$385,350.00	0.0%	\$385,350.00		\$-	0%
Bertsville	200		\$40,000.00	\$(2,000.00)	\$42,000.00	0.0%	\$42,000.00		\$-	0%
Ernie City	130		\$30,000.00	\$(1,500.00)	\$31,500.00	0.0%	\$31,500.00		\$-	0%
							\$-			
County-Wide Rate	40,000	\$1,000,000,000.00					\$-			
Municipal Population	29082						\$-			
Townships			\$600,000.00	\$(30,000.00)	\$630,000.00	0.1%	\$630,000.00		\$-	0%
Libraries			\$667,000.00	\$(33,350.00)	\$700,350.00	0.1%	\$700,350.00		\$-	0%
Fire/EMS					\$-	0.00%	\$-			

## Rate Summary

Current Law	Separate Rates	Separate Rates (PT Replacement)	Single Rate	Single Rate (PT Replacement)	Current LIT Rate
Matthews County					
County Rate	LIT Rate	0.00%	1.10%	1.16%	2.500%
Municipal Rate	0.00%	0.00%	1.16%	1.20%	2.178%
Fire/EMS Rate	0.00%	0.05%	0.01%	0.03%	0.322%
Township Rate	0.00%	0.62%	0.05%	0.05%	
Library Rate	0.05%	0.00%	0.05%	0.05%	
Davis Rate	1.00%	LIT Rate			
<b>Total Rate</b>			2.37%	2.48%	
<b>Total Rate (unincorporated)</b>	0.05%	0.67%			
<b>Total Rate (Davis)</b>	1.05%	0.67%			

Not Currently Allowed by Statute	Custom Rate	Custom Rate (PT Replacement)
Davis	1.1000%	1.1550%
Krieg's Creek	0.8000%	0.8400%
Cunningham	0.0567%	0.0595%
Kneppersberg	0.0110%	0.0116%
Hayden's Hunt	0.0090%	0.0095%
McCuaigsville	0.0112%	0.0118%
Mossy Mill	0.0200%	0.0210%
Lyle	0.0001%	0.0001%
Bertsville	0.0367%	0.0385%
Ernie City	0.0040%	0.0042%
Townships	0.0030%	0.0032%
Libraries	0.0600%	0.0630%
Fire/EMS	0.0667%	0.0700%
	0.0000%	0.0000%

# Appendix D

## Municipal Unit Strategic Taskforce (MUST): City and Town Report

### Purpose:

This report is intended for completion by **one municipality in each Indiana county**, representing all municipalities, following collaborative discussions within a **Municipal Unit Strategic Taskforce (MUST)**. Any data or information a municipality wishes to supply to Aim as a supplement to this joint report will be accepted and incorporated into Aim’s report summary and discussions with lawmakers.

### I. General Information

County: \_\_\_\_\_

Municipalities: \_\_\_\_\_

Person Completing Report: \_\_\_\_\_

Municipality and Title: \_\_\_\_\_

Date Completed: \_\_\_\_\_

Email / Phone: \_\_\_\_\_

### II. MUST Convening and Meeting Information

#### 1. Did your County Council convene a MUST?

- YES
- NO

If NO, please complete the report included in the Aim Resource Guide for Collaborative LIT Discussions.

#### 2. Who were the eligible units and the representatives that participated in the MUST?

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#### 3. Were all required attendees present (1 county official, 1 city or town fiscal officer from each municipality in the county)?

- YES
- NO

#### 4. Did the meeting(s) allow all represented units adequate time to advocate for their needs?

- YES
- NO

5. Complete the following LIT rate adoption preference and LIT rate communicated by each municipality that is eligible to adopt their own LIT rate going into the MUST meeting(s). NOTE: This question asks for the adoption preference (adopt own rate/join countywide rate) and estimated LIT rate allocation the municipalities initially communicated at the MUST, NOT the final outcome

Municipality	Adopt Own Rate	Estimated Rate	Join County Rate	Est. Rate Split
	Y / N		Y / N	
	Y / N		Y / N	
	Y / N		Y / N	
	Y / N		Y / N	

6. If the LIT rate adoption process and/or LIT rate allocation changed upon conclusion of the MUST, complete the following for each municipality

Municipality	Adopt Own Rate	Rate Change	Join County Rate	MUST Rate Split
	Y / N		Y / N	
	Y / N		Y / N	
	Y / N		Y / N	
	Y / N		Y / N	

7. For each community above 3,500 population, complete the below if the County Council via MUST discussions indicated that the municipality's countywide LIT allocation is likely to be less than the community's estimated need. NOTE: Each community in this situation is welcome to provide additional information or documentation as part of this joint report.

<b>Municipality</b>	
<b>General Description of Concerns</b>	

<b>Municipality</b>	
<b>General Description of Concerns</b>	

<b>Municipality</b>	
<b>General Description of Concerns</b>	

<b>Municipality</b>	
<b>General Description of Concerns</b>	

**III. For Municipalities NOT Eligible to Adopt their Own LIT Rate (Below 3,500 Population)**

**8. Complete the following LIT rate communicated by each municipality included in the MUST that is NOT eligible to adopt their own LIT rate. NOTE: Each community in this situation is welcome to provide additional information or documentation as part of this joint report.**

Municipality	Estimated Rate

9. Complete the following for each municipality if the LIT rate noted above changed upon conclusion of the MUST.

Municipality	MUST Rate

10. For each community under 3,500 population, complete the below if the County Council via MUST discussions indicated that their LIT allocations were likely to be less than the community's estimated need. *NOTE: Each community in this situation is welcome to provide additional information or documentation as part of this joint report.*

<b>Municipality</b>	
<b>General Description of Concerns</b>	

<b>Municipality</b>	
<b>General Description of Concerns</b>	

<b>Municipality</b>	
<b>General Description of Concerns</b>	

<b>Municipality</b>	
<b>General Description of Concerns</b>	

**IV. County Council MUST Report - Submission and Review**

**11. Did the County Council submit a MUST report to the DLGF and were you allowed to review and comment on the report before it was filed?**

- YES
- NO

**12. If a MUST report was filed with the DLGF by the County Council, did you agree with the content?**

- YES
- NO

**13. If NO, can you provide information on any discrepancies?**

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**V. Confidence in Outcome**

**14. How confident are you that the MUST will result in a fair and adequate distribution of LIT when formal action is required?**

- Very Confident
- Optimistic
- Concerned
- Very Concerned

**VI. Relationships with County Officials**

**15. Before LIT discussions began, which of the below options best describes the relationship between the majority of the municipal elected officials in the county and the majority of the county’s elected officials.**

- Outstanding Communication and Mutual Respect
- Interested in Good Communication but Not Involved
- Adequate
- Guarded and Somewhat Competitive
- Combative and Unproductive

**16. Following LIT discussions, which of the following best describes the relationship between the majority of municipal elected officials in the county and the majority of the county’s elected officials?**

- Better
- Stayed the Same
- Worsened

## VII. Feedback for Legislators

**21. What modifications to the LIT framework that either passed in SEA 1-2025 and remains in the law or was adjusted in HEA 1210-2026, did municipal leaders discuss during MUST discussion? NOTE: Any community can provide additional information or documentation helpful for Aim advocates to reference in conversations with lawmakers and other stakeholders.**

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## VIII. Service Delivery Outside Municipal Boundaries

**22. What level of service do you the municipalities in the county provide outside city or town boundaries? (Fire, EMS, infrastructure, snow removal, etc). NOTE: Ask each community in this situation to provide any additional information or documentation helpful for Aim advocates to reference in conversations with lawmakers and other stakeholders.**

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## VIX. Additional Comments

**23. Please provide any additional comments, concerns, or recommendations related to LIT discussions as part of these collaborations or any other countywide discussion. NOTE: Ask each community in this situation to provide any additional information or documentation helpful for Aim advocates to reference in conversations with lawmakers and other stakeholders.**

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# Appendix E

## Aim LIT Assistance Contact Information

For information regarding **LIT and related legislative outcomes, 2027 LIT planning, clarification regarding Aim positions**, contact:



Matt Greller
CEO
317-690-0071
mgreller@aimindiana.org



Jenna Bentley
Bentley Strategies LLC
260-444-1420
jenna@bentleystrategiesllc.com

For information regarding **LIT estimations, property tax calculations, language in SEA 1 – 2025 or HEA 1210 – 2026, MUST data or process, MUST reporting**, contact:



Campbell Ricci
Policy and Financial Resources Director
812-219-2173
cricci@aimindiana.org

For information regarding **grassroots meetings, legislative process, House and Senate leadership, committee assignments, and related matters**, contact:



Isabel Elliott
Government Affairs Manager
317-533-1390
<a href="mailto:ielliott@aimindiana.org">ielliott@aimindiana.org</a>



Amy Krieg
Government Affairs Manager
317-995-0368
<a href="mailto:akrieg@aimindiana.org">akrieg@aimindiana.org</a>

For a **call, electronic meeting, or site visit** from a member of the Aim Field Services Team, contact:



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