**All About LOHUT**

The Wheel Tax!!

**What Is a LOHUT**
- Local option highway user tax
  - What's in a name?
- Only optional tax specifically for road funding available
  - Passed in 1980
  - 26 counties have adopted LOHUT at end of 2002

**LOHUT Is Two Different Taxes**
- County motor vehicle excise surtax
- County wheel tax
- Must be adopted concurrently
- Cannot have one without the other!

**County Motor Vehicle Excise Surtax**
- A surtax on the vehicle excise tax paid at time of registration
- Applies to:
  - Automobiles
  - Motorcycles
  - Trucks under 11,000 pounds

**Surtax Tax**
- The excise surtax can be:
  - 2% to 10% of the excise tax
  - But not less than $7.50, or
  - Flat amount of $7.50 to $25.00 per vehicle
- Must be same rate or amount on each motor vehicle
  - Excise taxes run from $12 to $1063

**County Wheel Tax**
- County wheel tax is really a vehicle tax
- Applies to all vehicles NOT subject to the excise surtax
- Includes:
  - Buses
  - Recreational vehicles
  - Semi trailers
  - Tractors
  - Trailers
  - Trucks
Wheel Tax “Exceptions”
- Does NOT include vehicles that are:
  - Owned by the state
  - Owned by a political subdivision
  - Subject to the annual excise surtax
  - Buses owned by religious or nonprofit youth organization

Wheel Tax Rates
- Rate may be between $5.00 and $40.00 per vehicle
- May have different rates for each class of vehicles
- May have different rates within each class

Use of LOHUT revenues
- Excise surtax revenues may be used to construct, reconstruct, repair, or maintain roads (and bridges!?)
- Wheel tax may be used for the same purposes as the excise tax AND may be used as a contribution to a multiple county infrastructure authority.

LOHUT As an Incentive
- Recent gas tax proposals have been tied to those counties that have enacted LOHUT
- Must have LOHUT to seek loans from the distressed road fund

How to Pass LOHUT
- Two steps to passing LOHUT
  - Selling it to the community, then
  - Selling it to the county council
- Consensus building
  - Involving the community up front
  - Educate the citizens on the need
  - Involving cities and towns’ officials
- Show specific plans with and without LOHUT funding

Statutory Method
- County council must CONCURRENTLY pass an ordinance adopting the excise surtax AND the wheel tax.
- Must give notice.
- If not unanimous vote, then must pass at two different meetings.
Sample Ordinance
- Available from IACC, Indiana LTAP, or any enacting county

Effective Dates
- If passed after December 31 and before July 1, then tax will be collected the next year
  - Passed May 1, 2003, then effective January 2004
- If passed after June 30 but before January 1, then tax will be collected in two years
  - Passed August 1, 2003, then effective January 2005

How Is the Money Collected
- Paid at time of registration at BMV
- BMV remits both taxes to county
- County auditor allocates the money
- County treasurer distributes

Everybody Gets a Cut!
- Don’t think that the county gets it all
- All $$$ raised is shared by:
  - County
  - Cities
  - Towns
- Distributed by the LRS formula

How Much Money Do We Get!
- Potential $$ from each component
- Then, who gets what?
- Use LTAP Software for comparison of revenue using various rates

Summary
- LOHUT is:
  - Easy to understand
  - Easy to implement
  - Easy to collect
- Cost to taxpayer—maximum rates
  - Surtax - $25/car or (10% w/ $7.50 min.)
  - Wheel tax - $40/vehicle
- A great replacement fund for LRS
LTAP Software

- LTAP has developed software that allows user input of rates
- **Excise surtax by percentage**
- **Wheel tax and flat excise surtax**

Any questions?